

Apply to the levelling up fund round 2

Submission details

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What is the legal name of the lead applicant organisation?

Redcar and Cleveland Borough Council

Where is your bid being delivered?

England

Select your local authority

Redcar and Cleveland

Enter the name of your bid

Connecting People and Place

Does your bid contain any projects previously submitted in round 1?

Yes

Bid manager contact details

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Local Authority Leader contact details

Full name	Councillor Mary Lanigan
Position	Leader
Telephone number	01642 444094
Email address	Mary.Lanigan@redcar-cleveland.gov.uk

Enter the name of any consultancy companies involved in the preparation of the bid

Lead bid development:

Cushman and Wakefield (property and economic development consultants)
SYSTRA (transport consultants)
Gillespies (landscape architects)

Individual project development support:

SUM (cost consultants)
WSP (transport consultants)
Capita (transport consultants)

Enter the total grant requested from the Levelling Up Fund

£19999859.00

Investment themes

Regeneration and town centre	50%
Cultural	0%
Transport	50%

Which bid allowance are you using?

Full constituency allowance

How many component projects are there in your bid?

3

Do you have the support of all the authorities with the relevant statutory responsibility before proceeding?

Yes

File upload 1

Upload pro forma 1 Appendix 3 - LUF Sign off Proformas.pdf

Are you submitting a joint bid?

Yes

Other local authorities you are bidding jointly with

Local authority 1

Local authority selection Middlesbrough

Which bid allowance is this local authority using to support the bid? Constituency

Confirm that you have the support of the other local authorities you are working with and have a signed pro forma to this effect from each of them

Tick to confirm

File upload 1

Upload pro forma 2 Appendix 3 - LUF Sign off Proformas.pdf

How many other organisations are you submitting your bid with?

1

Grant value declaration

I am submitting a joint bid that contains multiple component projects with one other applicant organisation and can confirm that the bid overall does not exceed £40 million grant value

Tick to confirm

Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

Costings and Planning Workbook

Appendix 12 - LUF_Package_Bid_Costings__Planning_Workbook_V2.00 SMbro & East Cleveland.xlsx

Provide bid name

Connecting People and Place

Provide a short description of your bid

The 'Connecting People and Place' bid comprises a package of three separate but strategically and economically interlinked project components:

1. Guisborough Regeneration and Accessibility – delivery of a package of town centre public realm, active travel and accessibility interventions which will improve the economic performance, sustainability and vitality of Guisborough Town Centre and accessibility via active modes of travel to Teesworks and the North York Moors National Park.
 2. South Middlesbrough Accessibility – delivery of the Newham Grange highway scheme, which will directly unlock the development of circa 800 residential units at an allocated major strategic and public sector owned housing site at Coulby Newham to the south of Middlesbrough Town Centre.
 3. Guisborough Multi Modal Transport Hub – development of a Strategic Outline Business Case (SOBC) to support the case for the delivery of a Multi Modal Transport Hub at Nunthorpe.
-

Provide a more detailed overview of your bid proposal

The South Middlesbrough and East Cleveland Constituency is located in the Tees Valley, an area which is on the cusp of a new economic dawn. Major development sites at Teesworks and Wilton and the recently designated Teesside Freeport (largest Freeport in the UK), will provide significant new employment and social and economic opportunities for our residents and investors, whilst growth within town centres across the Tees Valley will uplift the area as a whole. The Redcar Borough economy and offer is critical to the success of the wider Tees Valley area, providing an attractive residential environment, visitor offer, local amenity and employment opportunity which will unlock the wider Tees Valley levelling up and growth opportunities that exist. The Redcar & Cleveland and Middlesbrough local authority areas are both Priority 1 areas for investment, as recognised by DLUHC.

This Levelling Up Fund Bid seeks to capitalise on these opportunities by levelling up the more detached and rural settlements of South Middlesbrough and East Cleveland, the economic growth prospects of which are currently limited by their lack of connectivity to the urban areas of Redcar and Middlesbrough and the economic potential of these. This LUF bid comprises a package of three separate but strategically and economically interlinked project components, which will provide sustainable transport and regeneration interventions to improve connectivity and the vitality of the constituency's local centres, as well unlocking significant residential growth in an area of identified housing need and diversity.

1. Guisborough Regeneration and Accessibility – £15.013m of LUF investment is sought to enable the delivery of a package of town centre public realm and sustainable/active travel interventions which will improve the vitality of Guisborough town centre and improve accessibility to Teesworks and the North York Moors National Park. The project comprises the following strands:

- Guisborough Town Centre public realm works on Westgate, Bakehouse Square and Chaloner Street, including the realignment of car parking areas, provision of outdoor retail space, street furniture, signage, trees/ planting and CCTV.
- Chapel Beck environmental improvements to increase active usage of and create an attractive recreation space to act as a focus for visitors to Guisborough.
- King George V Playing Field public realm and landscaping improvement works and replacement of recreation apparatus to promote natural play and deliver a new skate park.
- Town Centre Commercial Grant Scheme – to attract and assist private businesses with shopfront and commercial property improvement works to improve the environment of Guisborough Town Centre.
- Provision of a new sustainable Active Travel Route (cycling and walking) from Guisborough to Nunthorpe, via the Guisborough Forest and Woodland Walkway Visitor Centre. This route is off road in the rural central section with connections to existing and proposed cycle routes for onward travel to East Cleveland, central Teesside and North Yorkshire including the North York Moors National Park.
- Improvements to Guisborough Forest and Walkway Visitor Centre including sustainability enhancements and improved access/parking arrangements. See Appendices 21 and 22 for details of the proposed centre access and improvement designs.

2. South Middlesbrough Accessibility – £4.812m of LUF investment is sought to fund the delivery of Phases 1 to 3 of the Newham Grange Highway Scheme, which will unlock the delivery of circa 800 housing units on this major strategic and Council owned, allocated housing site at Coulby Newham to the south of Middlesbrough Town Centre (Local Plan Allocation H26). There is pent up demand for increased housing and diversity in the housing offer to meet the economic growth needs of Middlesbrough and the Teesworks opportunity. Details of the highways scheme layout and design are provided at Appendix 23.

3. Guisborough Multi Modal Transport Hub – £0.175m of LUF investment is sought to fund the development of an SOBC to develop and progress the case for a Multi Modal Transport Hub at Nunthorpe. The Transport Hub will provide additional rail provision and sustainable transport routes (including park and ride) to Teesworks and the wider region.

Provide a short description of the area where the investment will take place

Please see the appended plan showing the locations of each project and the spatial relationships between them at the front of the Gillespies Design Report (Appendix 4).

Guisborough Regeneration and Accessibility

The Guisborough Regeneration and Accessibility project will be delivered in

Guisborough Town Centre with interventions at the following locations:

- Westgate (TS14 6AH), Bakehouse Square (TS14 6HF), Chaloner Street (TS14 6QD) – public realm improvements
- Chapel Beck (TS14 6NA) - environmental improvements to increase active usage.
- King George V Playing Field (TS14 6LE) - public realm and equipment improvements.
- Town Centre Commercial Grant Scheme – targeted at commercial premises on:
 - o Bakehouse Square
 - o Chaloner Street (TS14 6QD)
 - o Chaloner Mews (TS14 6SA)
 - o Market Place
 - o Westgate (TS14 6BA)
 - o Bow Street (TS14 6BP)
 - o Fountain Street (TS14 6QF)
- Provision of a new sustainable active travel route from Guisborough to Nunthorpe, via the Forest Walkway and Visitor Centre. This route is shown on the appended Active Travel Route network plan (route 5) and links to route 4 on the plan which is proposed under a separate LUF2 bid in the neighbouring Redcar constituency agency (Appendix 7). If delivered as a complementary package of works, the route will provide a new sustainable active travel route linking Guisborough and Nunthorpe with economic growth areas in the South Bank and Teesworks. It will also connect with the proposed site of the Guisborough multi-modal interchange (project 3 of this bid).
- Guisborough Forest Walkway and Visitor Centre (TS14 8HD)

South Middlesbrough Accessibility-

The Phase 1 to 3 South Middlesbrough Accessibility project will be delivered at land to the south of Stainton Way, Marton-in-Cleveland, TS8 9EA.

Guisborough Multi Modal Transport Hub – the proposed hub could provide a rail park and ride station at Morton Carr, near Nunthorpe.

Optional Map Upload

Appendix 4 - Guisborough Regeneration - Design Report.pdf

Does your bid include any transport projects?

Yes

Provide a short description of the transport project

There are 3 transport components to this bid:

1. South Middlesbrough Accessibility – £4.812m of LUF investment is sought to fund the delivery of Phases 1 to 3 of the Newham Grange Highway Scheme, which will unlock the delivery of circa 800 housing units on this major strategic and Council owned, allocated housing site at Coulby Newham to the south of Middlesbrough Town Centre (Local Plan Allocation H26). There is pent up demand for increased housing and diversity in the housing offer to meet the economic growth needs of Middlesbrough and the Teesworks opportunity. Details of the highways scheme layout and design are provided at Appendix 23.

The Phase 1 to 3 South Middlesbrough Accessibility project will be delivered at land to the south of Stainton Way, Marton-in-Cleveland, TS8 9EA.

2. Guisborough Multi Modal Transport Hub – £0.175m of LUF investment is sought to fund the development of an SOBC to develop and progress the case for a Multi Modal Transport Hub at Nunthorpe. The Transport Hub will provide additional rail provision and sustainable transport routes (including park and ride) to Teesworks and the wider region.

The proposed hub could provide a rail park and ride station at Morton Carr, near Nunthorpe.

3. Provision of a new sustainable active travel route from Guisborough to Nunthorpe, via the Forest Walkway and Visitor Centre. This route is shown on the appended Active Travel Route network plan (route 5) and links to route 4 on the plan which is proposed under a separate LUF2 bid in the neighbouring Redcar constituency agency (Appendix 7). If delivered as a complementary package of works, the route will provide a new sustainable active travel route linking Guisborough and Nunthorpe with economic growth areas in the South Bank and Teesworks. It will also connect with the proposed site of the Guisborough multi-modal interchange (project 3 of this bid). This also includes Guisborough Forest Walkway and Visitor Centre (TS14 8HD)

Provide location information

Location 1

Enter location postcode	TS14 6BA
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Enter location grid reference	NZ613160
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Percentage of bid invested at the location	75%
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Optional GIS file upload for the location

Location 2

Enter location postcode	TS8 9EA
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Enter location grid reference	NZ517132
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Percentage of bid invested at the location	24%
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Optional GIS file upload for the location

Location 3

Enter location postcode	TS7 0PF
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Enter location grid reference	NZ545147
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Percentage of bid invested at the location	1%
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Optional GIS file upload for the location

Select the constituencies covered in the bid

Constituency 1

Constituency name	Middlesbrough South and East Cleveland
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Estimate the percentage of the bid invested in this constituency	100%
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Select the local authorities covered in the bid

Local Authority 1

Local authority name	Redcar and Cleveland
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Estimate the percentage of the bid invested in this local authority	76%
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Local Authority 2

Local authority name	Middlesbrough
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Estimate the percentage of the bid invested in this local authority	24%
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Sub-categories that are relevant to your investment

Select one or more regeneration sub-categories that are relevant to your investment	Commercial Civic Residential
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Select one or more cultural sub-categories that are relevant to your investment	Visitor Economy Sports and athletics facilities Heritage buildings and sites
---	--

Select one or more transport sub-categories that are relevant to your investment	Active Travel Buses Strategic Road Rail Local Road
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Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

All match funding has been secured.

For the avoidance of doubt there are no other funding applications approved/pending which would lead to us no longer requiring the requested LUF grant, these are all in addition to it to enable comprehensive scheme delivery.

Provide VAT number if applicable to your organisation

██████████

Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

The Boroughs of Redcar & Cleveland and Middlesbrough face a number of significant economic challenges and barriers to growth. The Boroughs have seen decades of economic decline in the late 20th century and, as result, include some of the most deprived areas in the UK and suffer from above average unemployment levels and below average earnings. Connectivity and accessibility issues are also a major barrier to growth in the Boroughs.

As per both Councils' adopted Equality (Diversity and Inclusion) Policies, we know we can only achieve a flourishing future for our whole community if everyone in the local economy is given the chance to participate fully in our economic, social and cultural life. Promoting equality means treating people fairly, valuing differences and removing the barriers that prevent people from fully participating in public life and realising their full potential. In recent years, we have worked extremely hard to reduce inequality. Yet we know that people still experience disadvantage and unfair treatment simply because of who they are or the background from which they come.

Both Councils are committed to taking positive action through all projects, that opens up services and opportunities to people that need them, ensure that difference and diversity is embraced, and that people are always treated fairly and with respect. Equally, both Councils are committed to eliminating discrimination and will therefore take action to challenge and correct behaviour where the high standards expected are not upheld.

As part of LUF scheme delivery, both Councils must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the 2010 Equality Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

Having due regard for advancing equality involves

- Removing or minimising disadvantages suffered by people due to protected characteristics;
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- Tackling prejudice and promoting understanding between different communities

Our LUF bid has been developed in full cognisance of the above. The specific projects will assist to promote social, economic, health and cultural wellbeing for all of our communities, to assist to reduce current disparities and to strengthen community cohesion and integration. They will be accessible to all and will meet the needs of those with and without protected characteristics.

Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

Yes

Does the support measure confer an economic advantage on one or more economic actors?

Yes

Provide further information supporting your answer

Works to improve public transport routes – No (public infrastructure).
Spur works to land owned by Middlesbrough Council – No (alignment with German Land Development Scheme State aid persuasive authority).
Works to improve public spaces – No (public realm).

Award of grants to improve the frontages of shops – Yes.
Engaging consultants to write a business case for a new multi-modal interchange – No (no economic activity).
Please also see DWF's advice set out at Appendix 1

Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

Yes

Provide further information supporting your answer

Works to improve public transport routes – No (public infrastructure).
Spur works to land owned by Middlesbrough Council – No (alignment with German Land Development Scheme State aid persuasive authority).
Works to improve public spaces – No (public realm).
Award of grants to improve the frontages of shops – Yes.
Engaging consultants to write a business case for a new multi-modal interchange – No (no economic activity).
Please also see DWF's advice set out at Appendix 1

Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

Yes

Provide further information supporting your answer

Works to improve public transport routes – No (public infrastructure).
Spur works to land owned by Middlesbrough Council – No (German Land Development Scheme State).
Works to improve public spaces – No (public realm).
Award of grants to improve the frontages of shops – Yes.
Engaging consultants to write a business case for a new multi-modal interchange – No (no economic activity).
Please also see DWF's advice set out at Appendix 1

Public policy objective principle

Demonstrate below how your bid meets this principle N/A Refer to Appendix 1

Proportionate and limited principle

Demonstrate below how your bid meets this principle N/A Refer to Appendix 1

Change of economic behaviour principle

Demonstrate below how your bid meets this principle N/A Refer to Appendix 1

Compensation of costs otherwise funded by beneficiary principle

Demonstrate below how your bid meets this principle N/A Refer to Appendix 1

Appropriate policy instrument principle

Demonstrate below how your bid meets this principle N/A Refer to Appendix 1

Competition and investment principle

Demonstrate below how your bid meets this principle N/A Refer to Appendix 1

Net positive effects principle

Demonstrate below how your bid meets this principle N/A Refer to Appendix 1

Will you be disbursing the funds as a potential subsidy to third parties?

Yes

Upload a statement of compliance signed by your Chief Finance Officer

Statement of compliance document Appendix 3 - LUF Sign off Proformas.pdf

Has an MP given formal priority support for this bid?

Yes

Full name of MP Mr Simon Clarke MP

MP's constituency Middlesbrough South and East Cleveland

Upload pro forma 6 Appendix 2 - Proforma 6 LUF Priority Support Form - Simon Clarke MP.pdf

Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?

Extensive stakeholder engagement has been undertaken in relation to each of the projects, as outlined below:

Project 1 - Guisborough Regeneration and Accessibility:

All Guisborough Ward Councillors were engaged as part of the development of the proposals for this scheme and they fully endorsed them, as did the Council's Cabinet. Importantly, in January 2022, the DLUHC High Streets Task Force undertook a 'Unlocking Your Place Potential' visit and analysis for

Guisborough Town Centre (Appendix 25). The purpose of the visit was to enable national experts on place management to identify the strengths of Guisborough Town Centre and recommend interventions which could be delivered to improve the vitality of Guisborough's High Street. The report recommended:

- Public realm improvements;
- Shopfront improvements;
- Improvements to pedestrian access and movement at Chaloner Street.

As such the High Street Task Force's findings fully support the proposed LUF2 interventions.

The following stakeholders have also been consulted regarding the proposals in 2022, feedback received from all stakeholders was supportive of the proposals:

- Guisborough Town Council;
- Simon Clarke MP;
- Guisborough Forestry Commission;
- Environment Agency;
- Royal British Legion;
- Historic England;
- North York Moors National Park Authority (letter of support appended at Appendix 6).

Project 2 - South Middlesbrough Accessibility –

The proposed Newham Grange Highway Scheme and Newham Grange development site were subject to extensive stakeholder and public consultation during the Local Plan adoption process in 2014. The Council is continually engaging with relevant key stakeholders and further community engagement will be undertaken through the planning application process.

Project 3 - Guisborough Multi Modal Transport Hub SOBC –

Proposals for the Guisborough Multi Model Transport Hub have been subject to initial consultations with the following stakeholders. It is anticipated that further stakeholder and public engagement will be undertaken during the development of the SOBC for which the LUF2 funding is requested.

- Simon Clarke MP;
- Cleveland Potash Ltd (part owner of the Boulby Branch Line) – supportive in principle.
- Network Rail, Northern Trains and TransPennine Express.
- Tees Valley Combined Authority;
- The Loftus Regeneration Group, who represent the local community at the east end of the route. They are supportive and wish to form a campaign group with neighbouring East Cleveland communities.

Has your proposal faced any opposition?

The LUF proposals to improve Guisborough Town Centre (Guisborough Regeneration and Accessibility) are uncontroversial and are wholly supported by key stakeholders including political members. No aspects of the proposals are controversial or not supported by members of the local community. During the long-term development of the project, substantial visioning and design work has been undertaken to scope improvements in the Guisborough retail core. Priorities for the area have emerged through the development of the Guisborough Masterplan & accompanying Conservation Area Appraisal and Management Plan, and the High Streets Task Force 'Unlocking Your Place Potential' analysis.

Whilst the Newham Grange residential scheme received some local objections through the local plan adoption process, the overwhelming response was positive recognising the local housing need. The Council is committed to engaging further with the local community to address concerns/ feedback received through the detailed design and planning process for the development.

No opposition to the proposal for a Multi Modal Transport Hub has been received, although it is essential that the restoration of passenger services does not impact on freight operations. Should there be opposition, then the Council will seek to engage with objectors to understand their position and, if possible, mitigate how the proposal impacts them.

All stakeholders are fully supportive of the development of a SOBC to develop the Multi Modal Transport Hub proposals in more detail. Further stakeholder engagement will be undertaken as part of the SOBC.

Do you have statutory responsibility for the delivery of all aspects of the bid?

No

Which parts of the project do you not have statutory responsibility for?

The South Middlesbrough Accessibility project (Newham Grange Highway Scheme) is located within the Middlesbrough Borough Council local authority area and therefore Middlesbrough Borough Council has statutory responsibility for this element of the bid as highways authority. Middlesbrough Borough Council is fully supportive of the LUF proposals and have confirmed their support for this LUF bid with the relevant signed proformas appended (Proforma 1 and Proforma 2 at Appendix 3).

Who is the relevant responsible authority?

Middlesbrough Borough Council

Support/consent of the relevant responsible authority

Do you have the support/consent of the relevant responsible authority?

Yes

Pro forma upload (if required) Appendix 3 - LUF Sign off Proformas.pdf

Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to

The Boroughs of Redcar & Cleveland and Middlesbrough face a number of significant economic challenges and barriers to growth. Both local economies have seen decades of economic decline in the late 20th century and, as result, now include some of the most deprived areas in the UK; suffering with above average unemployment levels and below average earnings. The unemployment rate in Middlesbrough is 7.3% and in Redcar and Cleveland it is 5.9%, both are significantly above the Great Britain unemployment rate of 4.4% (ONS, 2022). The number of workless households in Redcar & Cleveland and Middlesbrough are significantly higher than the national average, at 21% and 24% respectively compared with 13.6% nationally (ONS, 2022). Average wages for those in work are also below the national average in Redcar & Cleveland and Middlesbrough at an average full time gross weekly pay of £512.50 and £528.80 respectively, compared with the national average of £613.10.

There are also significant areas of deprivation within each of the Boroughs. At the local authority level and out of 317 districts nationally, Middlesbrough has the highest proportion of Lower Super Output Areas (LSOAs) within the nationally most deprived 10% of all LSOAs. The area of Guisborough Town Centre where LUF proposals are focused is in the top 30% of most deprived Lower Super Output Areas (LSOAs) nationally and is within the top 20% most deprived LSOAs in terms of income deprivation and top 10% most deprived LSOAs for income deprivation affecting children.

Land and property values in the Borough and in Guisborough are a challenge to the viability of new commercial development and this results in limited new private sector led development activity.

The Council undertook an analysis of key Tees Valley town economic performance national averages. This identified that the average Tees Valley town generated an average GVA of £1,884 million on average in 2019 compared to a national average of £2,438 million. This means that Tees Valley towns have a GVA of £0.77 for every £1 added by the average town nationally (ONS, 2019), reflecting a local productivity deficit. Additionally, between 2009 and 2019, Tees Valley towns have seen a 26.5% growth in GVA, whilst a growth of 37.0% was experienced by the average town nationally in this timeframe. This means that Tees Valley towns have seen a slower growth in productivity and are slipping further behind the average national town performance (ONS, 2019). This underpins the case for Levelling Up the Tees Valley economy.

Connectivity and accessibility issues are also a major barrier to growth in the Borough. A relatively large number of households in the Borough do not have access to a car (28.4% of households in the Borough) and the population is dispersed population over rural and urban areas. This limits access to employment opportunities for residents in parts of the Borough with lower connectivity. There are also very few current opportunities for sustainable active travel across the Borough.

Although major new developments, such as Teesworks and the recently allocated Teesside Freeport, offer an opportunity for a new period of economic growth in the wider Tees Valley area, it is critical that more remote areas of the Tees Valley are also levelled up to prevent significant economic disparity within the area developing. At present, the infrastructure in the South Middlesbrough and East Cleveland constituency is not sufficient to enable more remote towns and suburbs to benefit from the economic opportunities available in the wider area. Moreover, it is essential that Guisborough Town Centre is invested in and levelled up to prevent decline of an important local centre and market town and to maximise its potential as a visitor/tourist and retail/leisure destination in the Borough.

Specifically, the three projects which comprise the Levelling Up Fund bid will address the following local issues and barriers to growth:

Project 1 - Guisborough Regeneration and Accessibility:

In January 2022 the national High Streets Task Force completed an 'Unlocking Your Place Potential' visit to Guisborough. The Task Force identified a lack of place activation as a barrier to the growth of Guisborough's Town Centre/ High Street. The Task Force recommended improvements to the public realm of the high street and development of a more diverse evening economy to tackle this barrier to growth. The High Streets Task Force also found that Chaloner Street currently provides an unappealing pedestrian journey between Guisborough High Street and the main town centre car park, which has recently been improved by the Council to provide a new 'visitor' car park and visitor facilities. The Task Force states that this route would benefit from wider pavements to enhance pedestrian journeys. Additionally, the Task Force recommended improvement of the Chapel Beck footpath route to encourage pedestrian journeys to the town centre. As such, Guisborough's Town Centre currently has low public realm quality and pedestrian connectivity which serves as a barrier to its continued growth and vitality.

Guisborough also does not currently maximise its potential as a visitor/ tourist destination. Redcar and Cleveland's tourism offer is currently focused around

Redcar and Saltburn, with Guisborough serving only a small proportion of the visitor/ tourist economy. A study undertaken by Blue Sail tourism consultancy in 2020 found that Guisborough accounts for only 10% of total visits to the Redcar and Cleveland local authority area. Guisborough has significant potential as a tourist/visitor centre within the area, with popular attractions including Guisborough Priory and Guisborough Forest and its proximity to the National Park and Yorkshire Heritage Coast. However, the town is not currently maximising its potential due to poor quality public realm, lack of pedestrian connectivity within the town centre and limited place activation. The Blue Sail study also found that the potential of Guisborough Forest as a visitor destination is limited by lack of investment in the visitor infrastructure. The proposed LUF interventions seek to address this barrier to growth by improving the sense of arrival, pedestrian connectivity and visitor environment in Guisborough Town Centre, as well as improving the Guisborough Forest & Walkway Visitor Centre.

Guisborough Forest Walkway operates as a gateway for families, outdoor pursuit enthusiasts and local residents to access beautiful, unspoilt forest, moorland and national park. The Visitor Centre is ideally situated at the entrance to the walkway from the car park and provides toilet and baby change facilities, café and picnic area, as well as a recycling centre, bike wash-off, outdoor performance / educational area. A variety of educational and 'Forest Schools' opportunities are delivered throughout the year. A scheme funded by the Tees Valley Combined Authority will shortly join one end of the walkway to Nunthorpe with its railway station and access to onward cycle routes into Middlesbrough, providing an opportunity to access the walkway from further afield and increasing the level of use and passing trade for the café.

The current entrance to the visitor centre car park from the road is unassuming, poorly signed and difficult to negotiate due to the sharp turn next to a blind summit bridge. Improving the entry will make the site safer, more imposing and provide a genuine sense of arrival. Solar panel installations on the roof of the centre will complement the small solar array already in place and as well as reducing reliance upon the grid, in conjunction with the ground source heat pump already in place, will provide a real opportunity for the centre to become a carbon neutral building.

The low carbon credentials of the building will complement improvements to the look, feel and layout to the underutilised central section of the building to enable greater educational work to take place throughout the year, emphasising the impacts of climate change and benefits of a low carbon lifestyle. The new canopy over the café outdoor seating area will enable more customers to access refreshments more of the time and improves the overall look and feel.

The proposed LUF investments will also address connectivity issues between Guisborough and other parts of Redcar & Cleveland and Middlesbrough, which currently act as a barrier to growth. The population of Guisborough is set to increase with housing developments such as Cleveland Gate and Galley Hill contributing to around 600 new homes since 2016. The provision of an Active Travel Route connecting to Nunthorpe Station will provide a safer alternative for walking and cycling than along the A171. Similarly, the population of Nunthorpe is increasing with, for example, the Swan's Corner development of circa 130 homes and the Nunthorpe Grange development (350+ homes). Traffic levels are expected to increase on local roads with resulting implications for air quality and road safety. The active travel route between Guisborough and Nunthorpe will provide a safe alternative route and encourage active modes of travel with clear health and wellbeing benefits as a result, which will seek to address a number of the social deprivation challenges that prevail. The Active Travel Route will also increase accessibility to other outdoor attractions in the area including the Guisborough Forest Walkway and North York Moors National Park, encouraging the use of these spaces and generating associated health and wellbeing benefits.

Project 2 - South Middlesbrough Accessibility:

Middlesbrough is currently experiencing population decline and the existing housing stock in Middlesbrough is primarily low value within limited diversity in terms of housing tenure/typology. The adopted Middlesbrough Local Plan identifies a requirement for the delivery of more middle and upper market

sector family housing (semi-detached and detached housing) to attract and retain economically active households in Middlesbrough. Only by providing the type of housing that people want, in the right locations and environment, can the population begin to stabilise. The delivery of new, high quality housing and diversification of the housing stock is a key priority for Middlesbrough. The Middlesbrough Local Plan identifies a requirement for the delivery of 410 new homes per annum during the Local Plan period (2014-2029) to address this need.

Phase 1-3 of the Newham Grange Highway Scheme will unlock the delivery of circa 800 new homes at the largest allocated residential development site in Middlesbrough. Delivery of this site is critical to meeting the housing needs of the district and providing modern, high quality family housing which will help to retain and attract new residents to Middlesbrough and support wider economic growth in the area. The delivery of this scheme is currently stalled due to the scale and extent of upfront highways infrastructure required on this large site. The requested LUF funding will directly address this barrier to delivery and unlock the delivery of a major housing site.

Project 3 - Guisborough Multi Modal Transport Hub SOBC:

LUF investment is requested to fund the development of an SOBC for a Guisborough Multi Modal Transport Hub at a proposed location near Nunthorpe. The highway network in Nunthorpe suffers from peak hour congestion, which will act as a constraint on future housing development in particular. It is therefore clear that the existing and forecast congestion problems need to be addressed with a sustainable transport solution, and a predominantly rail-based solution is shown to be preferable to one that is bus-based.

The proposed Transport Hub will deliver an alternative, inclusive transport mode which will provide people from isolated rural communities expedient and efficient access to services and opportunities beyond their wider communities, which involve significant journey times by bus including skills provision, employment opportunities and health care.

The provision of reliable, regular transport facilities will support place outcomes by enabling local spend through greater prosperity and opening up the area to businesses and other investors, including access to the Teesworks key employment location.

Explain why Government investment is needed (what is the market failure)

Project 1 - Guisborough Regeneration and Accessibility:

Government investment through LUF is required to address an identified market failure in the form of a public goods failure. A public good has two key characteristics:

- Non-rivalrous - when a good is consumed, it doesn't reduce the amount available for others.
- Non-excludable - when it is not possible to provide a good without it being possible for others to enjoy.

A public good is under-provided in a free market due to the above and the inability to charge for the use of the goods which results in a free-rider problem with no incentive for people to pay for the good because they can consume it without having to pay for it. This results in a social inefficiency and need for public sector intervention.

The funding of Guisborough Town Centre public realm improvements and King Charles V Playing Fields greenspace improvements, where the end product will be available to the general public on an open and non-discriminatory basis for all to use/access, is therefore considered an eligible form of public good. No private investor will be sufficiently incentivised to invest in the Guisborough Town Centre improvements on this basis given that the works will benefit all and are non-rivalrous and non-excludable.

The Guisborough to Nunthorpe Active Travel Route and improvements to the Guisborough Forest and Walkway Visitor Centre can also be justified on this

basis. The end products will be available to the general public on an open and non-discriminatory basis for all to use/access. No private investor would be sufficiently incentivised to invest in the Active Travel Route and Visitor Centre on the basis that the works will benefit all and are non-rivalrous and non-excludable with no direct financial return.

The shop front/commercial property improvement project investment through the LUF can also be justified on this basis. Individual property owners are not willing to invest in their properties on the basis that they cannot capture the wider benefits to the area as a whole of this investment and the benefits will extend beyond the private benefits to the individual.

Project 2 - South Middlesbrough Accessibility:

The South Middlesbrough Accessibility project will deliver Phases 1-3 of the Newham Grange Highway Scheme using £4.812m of requested LUF investment. The LUF funding is required to address a market power based market failure. The delivery of the Newham Grange Highway Scheme is required to unlock the development of the Coulby Newham housing allocation. Although there is market interest in delivering housing at the Coulby Newham site, the upfront cost of delivering the Newham Grange Highway Scheme and the impact this has upon the overall finance and cashflow position of the development is significant. It is therefore unlikely that a single private developer will be prepared to provide this upfront funding from a risk appetite perspective, particularly when there are easier, more straightforward residential sites they can “cherry pick”.

Furthermore, the scale of the site means that it is likely to require multiple housebuilders/developers to bring it forward yet the upfront spine road and roundabout access is needed to unlock all parcels. LUF investment would thereby address a co-ordination based failure through delivering the upfront infrastructure to enhance the attractiveness of the plots to the market.

Project 3 - Guisborough Multi Modal Transport Hub SOBC:

LUF funding is required to address a public goods-based market failure with regard to the Guisborough Multi Modal Transport Hub SOBC. If delivered, the Transport Hub will be publicly funded, and the end product will be available to the general public on an open and non-discriminatory basis for all to use/access and will be non-rivalrous and non-excludable. As such the development of the SOBC for this project will also be funded by the public sector and no rationale private sector body/ company would fund the development of the SOBC. Therefore, this element of the LUF project will address a public goods based market failure.

Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

The requested LUF investment will be used to deliver the following project elements. The projects are presented below alongside an explanation of how they will address the barriers to growth set out in the response to Question 4.3.1.

Guisborough Regeneration and Accessibility –

- Guisborough Town Centre public realm works on Westgate, Bakehouse Square and Chaloner Street. As the appended plan produced by Gillespies shows (Appendix 4), LUF investment will be used to deliver the following improvements:
 - o Parking space realignment at Westgate
 - o Additional pedestrian crossing points at Westgate
 - o Tree, planting and street furniture and CCTV improvements at Westgate and Chaloner Street
 - o Creation of flexible ‘spill out spaces’ and new wayfinding signage at Chaloner Street.
 - o Greenspace and footpath improvements at Bakehouse Square.
 - o Chapel Beck environmental improvements to increase active usage of and

create an attractive recreation space to act as a focus for visitors to Guisborough.

The public realm works will address Guisborough Town Centre's existing challenges to growth by improving the pedestrian journey environment between the town's main car park and Westgate, via Chaloner Street. The works will also create more attractive streetscapes and outdoor/green spaces to improve footfall, visitor numbers and dwell time.

- King George V Playing Field public realm improvement works and replacement of recreation apparatus, including a skate park.
 - o This intervention will increase the usage of King George V Playing Field and encourage physical activity to provide health and wellbeing benefits to local residents and visitors.

- Town Centre Commercial Grant Scheme – to assist private businesses with shopfront improvement works to improve the environment of Guisborough Town Centre.
 - o This will address Guisborough's existing place activation challenges and create a more attractive town centre environment to attract additional visitors and increase dwell time.

- Provision of a new sustainable active travel route from Guisborough to Nunthorpe, via the Forest Walkway and Visitor Centre.
 - o This investment will provide a safe and attractive alternative route between Guisborough and Nunthorpe which will encourage active modes of travel and increased use of Guisborough Town Centre as a retail centre.

- Improvements to Guisborough Forest Walkway and Visitor Centre.
 - o This intervention will directly improve Guisborough's tourism offer and encourage additional visitors to Guisborough Forest thereby delivering health and wellbeing benefits to users.

South Middlesbrough Accessibility –

£4.812m of LUF investment is sought to fund the delivery of Phases 1 to 3 of the Newham Grange Highway Scheme. The highway scheme will directly unlock the delivery of circa 800 housing units at an allocated housing site at Coulby Newham (Local Plan Allocation H26).

This will address the population and economically active resident retention barrier to growth which was identified within the Middlesbrough Local Plan. The scheme will provide high quality family housing stock to diversify Middlesbrough's housing offer and provide the type of homes which will attract new residents to the area and encourage the retention of existing economically active residents. This in turn will support the economic growth opportunity of the adjacent Teesworks and Freeport.

Guisborough Multi Modal Transport Hub –

£0.175m of LUF investment is requested to fund the development of an SOBC for a Guisborough Multi Modal Transport Hub at a proposed location near Nunthorpe.

If delivered, the Transport Hub will directly address the barriers to growth currently impeding the transport network in the area. Indeed, the highway network in Nunthorpe suffers from peak hour congestion, which will act as a constraint on future housing development in particular. The proposed Hub will deliver an alternative, inclusive transport mode which will provide people from isolated rural communities expedient and efficient access to services and opportunities beyond their wider communities, which involve significant journey times by bus including skills provision, employment opportunities and health care. The SOBC will seek to develop the case for the transport hub and begin to address the challenges identified.

How will you deliver the outputs and confirm how results are likely to flow from the interventions?

A theory of change model has been developed and is appended to this bid (Appendix 5).

The package of projects will be delivered through the requested £20m LUF investment, alongside the following match funding sources:

Project 1 - Guisborough Regeneration and Accessibility:

- LUF Funding - £15.012m
- TVCA Sustainable Transport Settlements Funding - £2.59m
- TVCA Indigenous Growth Fund (Chapel Beck) - £0.05m
- TVCA 'Welcome To' funding (Bakehouse Square) - £0.2m

Project 2 - South Middlesbrough Accessibility:

- LUF Funding - £4.812m
- No match funding (albeit acknowledging that the infrastructure works will unlock a significant and yet to be quantified level of private sector funding to deliver the housing scheme on the back of this).

Project 3 - Guisborough Multi Modal Transport Hub SOBC:

- LUF Funding - £0.175m
- No match funding

The funding and development manager/ delivery officer support will enable the direct delivery of the following activities under the each of the bid projects:

- Guisborough Regeneration & Accessibility –
 - o Town Centre public realm improvement works on Westgate, Bakehouse Square and Chaloner Street including realignment of car parking area, outdoor retail space, street furniture, signage, trees, CCTV and planting;
 - o Chapel Beck environmental improvement works to increase active usage;
 - o King George V public realm improvements and replacement recreation apparatus including a skate park;
 - o Town Centre Commercial Grant scheme to assist private businesses with the improvements to the shop fronts of circa 100 properties in Guisborough Town Centre.
 - o Provision of a new active travel route between Guisborough and Nunthorpe.
 - o Improvements to the Guisborough Forest & Woodland Walkway Visitor Centre.
- South Middlesbrough Accessibility Project –
 - o Delivery of phases 1 to 3 of the Newham Grange Highway Scheme.
- Guisborough Multi Modal Transport Hub SOBC –
 - o Development of an SOBC to make the case for investment in a new Multi Modal Transport Hub at Nunthorpe.

As the logic/theory of change model above shows, the projects will deliver the following outputs:

- Guisborough Regeneration & Connectivity –
 - o Delivery of public realm works on Westgate, Bakehouse Square and Chaloner Street and Chapel Beck;
 - o Direct shop front improvements to circa 100 properties in Guisborough Town Centre;
 - o Delivery of greenspace and equipment improvements at King George V Playing Fields;
 - o Delivery of a new sustainable active travel route between Guisborough and Nunthorpe;
 - o Improvements to the Guisborough Forest & Walkway Visitor Centre;
- South Middlesbrough Accessibility Project –
 - o Delivery of Phases 1-3 of the Newham Grange Highway Scheme.
- Guisborough Multi Modal Transport Hub SOBC –
 - o Production of an SOBC to support the case for the delivery of a Guisborough Multi Modal Transport Hub in Nunthorpe.

In the short term, the public realm improvements will result in increased footfall and dwell time, reduced retail voids and an uplift in land/property values. The works will also improve Guisborough Town Centre's Conservation Area by maintaining and improving the appearance and environment of Guisborough's heritage assets and historic buildings. The public realm & connectivity and

Guisborough Forest and Walkway Visitor Centre improvements will also lead to increased visitor numbers and make Guisborough more attractive to tourists/ visitors. The delivery of an improved pedestrian and cycling environment will encourage modal shifts, improve pedestrian safety and reduce the potential for pedestrian/ road traffic accidents, all of which could have immediate benefits for the health of the local population both in terms increased activity levels and reduced obesity levels. In addition, the delivery of the Newham Grange Highway Scheme will, in the short term, unlock the development of circa 800 homes at the allocated housing site surrounding the Newham Grange Highway Scheme.

In the medium term, the Guisborough Town Centre public realm improvement works will enhance the attractiveness of Guisborough as a retail and visitor/ tourist destination. This will result in sustained footfall improvements, reduced retail voids and improved vibrancy of Guisborough Town Centre. The pedestrian connectivity improvements and Nunthorpe to Guisborough Active Travel route will lead to increased walking a cycling between Guisborough and Nunthorpe and make Guisborough more accessible to surrounding localities through sustainable and active modes of travel. This will encourage physical activity amongst residents and visitors and could have health and wellbeing benefits in the medium term. The Newham Grange Highway Scheme will result in the delivery of circa 800 homes in the medium term; addressing a significant proportion Middlesbrough's housing delivery needs and diversifying housing stock in the area.

In the long term, Guisborough Town Centre will become an attractive retail and visitor centre with a thriving and sustainable high street. Pedestrian connectivity within the town centre and between Guisborough and other parts of the district will be improved, and the town will serve as an attractive and well-connected base for local residents and visitors. The delivery of new homes at Coulby Newham will provide much-needed high quality family housing which will accommodate the economic growth of the wider area and make South Middlesbrough and East Cleveland a highly attractive place to live and work.

**Theory of change upload
(optional)**

Appendix 5 - Theory of Change Model.pdf

Explain how the component projects in your package bid are aligned with each other and represent a coherent set of interventions

The different component projects of the bid are wholly complementary to one another and form a comprehensive package of improvements/ works which will support and catalyse the economic growth of the Middlesbrough South and East Cleveland Constituency area as a functional economic geography. There is a clear "golden thread" between them and this is presented spatially in the strategic overview plan at the front of the design report in Appendix 4.

The Guisborough Town Centre improvement works will improve the vitality of Guisborough and improve its appeal as an attractive and sustainable retail/leisure and visitor centre. The South Middlesbrough Accessibility project will unlock the delivery of circa 800 homes at a major housing allocation at Coulby Newham. The high-quality modern family homes will provide much needed diversification to the area's housing stock and increase retention and attract new residents to the area. This in turn will support the ongoing vitality of Guisborough Town Centre as Guisborough will serve as an important local retail centre for the new residents of the Coulby Newham scheme. The delivery of new housing at Coulby Newham will also support the delivery of major new development at Teesworks and the Teesside Freeport by providing high quality, accessible accommodation for employees at the site.

Accessibility between the Coulby Newham housing scheme and Guisborough Town Centre will also be improved through the delivery of the new sustainable active travel route between Guisborough and Nunthorpe, which forms part of the LUF bid. Although not extending to the new housing site, this route will provide a safe and attractive sustainable travel route from nearby Nunthorpe to Guisborough Town Centre, to encourage the use of Guisborough Town Centre

as a local retail centre for the new residents. In the longer term, the potential delivery of the proposed multi modal transport hub at Nunthorpe could also provide new residents of the Coulby Newham scheme with improved public transport options to both Guisborough and wider area. The SOBC to support the case for this investment is proposed to be developed as part of the LUF package of works.

Set out how other public and private funding will be leveraged as part of the intervention

The package of projects will be delivered through the requested c.£20m LUF investment, alongside the following public sector funding which will be leveraged as part of the intervention.

Project 1 - Guisborough Regeneration and Accessibility:

- TVCA Sustainable Transport Settlements Funding - £2.59m
- TVCA Indigenous Growth Fund (Chapel Beck) - £0.05m
- TVCA 'Welcome To' funding (Bakehouse Square) - £0.2m

The TVCA match funding sources are confirmed with relevant approvals in place, subject to the receipt of the requested Levelling Up Fund investment. Evidence of match funding availability is appended to this bid (Appendix 6). The scheme will also unlock significant private sector investment in the local economy although this has not been confirmed at this stage.

Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up

The Redcar and Cleveland Local Plan (2018) recognises the importance of Guisborough as an important centre in the borough for retail, local services and employment, which serves a large rural hinterland. The Local Plan recognises the importance of strengthening Guisborough's High Street to ensure it remains a sustainable and thriving local centre in the long term. The Local Plan also identifies improvements to walking and cycling infrastructure as a key priority for the Borough, particularly due to the relatively large number of households in the Borough who do not have access to a car (28.4% of households in the Borough) and the dispersed population over rural and urban areas. The proposals therefore fully align with the Redcar and Cleveland Local Plan.

The Middlesbrough Housing Local Plan (2014) identifies a requirement to deliver higher quality family housing in the Borough to prevent population decline and increase retention of economically active households in the Borough. The Local Plan promotes the delivery of the Newham Grange Highway Scheme to unlock the development of the Coulby Newham Housing Allocation. The Coulby Newham Housing Allocation is the largest allocation in the Local Plan and will therefore provide a significant contribution to this objective.

The proposals fully align with the Tees Valley Strategic Economic Plan 2016-26. The Tees Valley SEP outlines an ambition to rejuvenate the Tees Valley's town centre and improve the quality of the housing offer in the Tees Valley.

The transport elements of the proposals also fully align with the Tees Valley Strategic Transport Plan 2020-2030. The plan outlines an ambition to 'provide a high quality, quick, affordable, reliable, low carbon and safe transport network for people and freight to move within, to and from the Tees Valley'. The active transport route, Newham Grange Highway Scheme and Guisborough Multi Modal Transport Hub SOBC fully align with this ambition and the wider transport plan. The Guisborough to Nunthorpe Active Travel Route forms part of wider proposals for a broader network of active travel routes across the Tees Valley which will promote encourage active modes of travel across the region.

The proposals fully align with the Redcar and Cleveland Destination Management Plan 2022-2027. The DMP recognises the growth potential of Guisborough as a visitor/ tourist centre and recommends investment in Guisborough's environment and visitor facilities. The proposed town centre public realm works and improvements to the Guisborough Forest Walkway and Visitor Centre fully align with this strategy.

The Guisborough Town Centre improvements also align with the recommendations made by the High Streets Task Force in January 2022. The Task Force identified a lack of place activation as a barrier to the growth of Guisborough's town centre/ high street. The Task Force recommended improvements to the public realm of the high street and development of a more diverse evening economy to tackle this barrier to growth. The High Streets Task Force also found that Chaloner Street currently provides an unappealing pedestrian journey between Guisborough High Street and the main town centre car park and would benefit from wider pavements to enhance pedestrian journeys. Additionally, the Task Force recommended improvement of the Chapel Beck footpath route to encourage pedestrian journeys to the town centre. As such, the proposals will directly address these recommendations.

The proposals also fully align with the Redcar and Cleveland Climate Change Action Plan 2021-2025. The provision of improved pedestrian connectivity in Guisborough Town Centre and the Guisborough to Nunthorpe Active Travel Route will encourage increased use of sustainable modes of transport and help to reduce carbon emissions in the Borough.

Explain how the bid aligns to and supports the UK Government policy objectives

The proposals fully align with UK Government policy objectives/commitments as below:

- **Levelling Up White Paper (2022)** – The Levelling Up White Paper outlines the government's strategy to address disparity within the United Kingdom. The proposed LUF investments particularly align with the following key Levelling Up themes:
 - o Spread opportunities and improve public services, especially in those places where they are weakest.
 - o Restore a sense of community, local pride and belonging, especially in those places where they have been lost.The proposed investments will restore local pride in Guisborough Town Centre and invest in local road and cycling infrastructure to promote growth in an area which currently suffers from above average unemployment and high levels of deprivation.
- **Build Back Better: Our Plan for Growth (2021)** - with a distinct focus on economic growth/recovery, this references the role of promoting competitive towns/cities with vibrant high streets. It refers to investing in cycling and walking infrastructure as well as levelling-up the country to provide vibrant towns.
- **Build Back Better: High Streets (2021)** – This strategy recognises the importance of revitalising high streets and supporting high street businesses. The strategy identifies improved public realm as a key tool to strengthen high streets.
- **Fixing Our Broken Housing Market (2017)** – The Government's Housing White Paper outlines a requirement to deliver between 225,000 and 275,000 new homes per annum to tackle challenges presented by years of oversupply. The proposed delivery of Phases 1-3 of the Newham Grange Highway Scheme directly aligns with this and will unlock the delivery of circa 800 new homes at Middlesbrough's largest housing allocation.
- **Net Zero commitment by 2050** – in 2019, Government approved legislation to commit the UK to a legally binding target of net zero emissions by 2050. The cycling and walking improvements proposed, and sustainability feature which will be delivered as part of the Guisborough Forest Walkway Visitor Centre improvements, will encourage increased use of sustainable transport modes and contribute to this objective.
- **UK Clean Growth Strategy (2017)** – this identifies objectives to improve the

energy efficiency of buildings, accelerate the shift to low carbon transport and invest in cycling and walking infrastructure. The cycling and walking improvements proposed, and sustainability feature which will be delivered as part of the Guisborough Forest Walkway and Visitor Centre improvements, will encourage increased use of sustainable transport modes and contribute to this objective.

- DfT Cycling and Walking Investment Strategy – this national strategy aims to double cycling levels by 2025, reduce cycling accidents and ensure that cycling and walking are the natural choices for shorter journeys. The cycling and walking improvements proposed will encourage increased use of sustainable transport modes and contribute to this objective.

- DEFRA Clean Air Strategy 2019 - this recognises that transport is a significant source of emissions of air pollution. It states that Government is committed to encouraging transport users to choose lower emission modes of travel for their journeys where possible.

The proposals fully align with all of the above. They will transform the local underperforming economy and deliver economic recovery and Levelling Up where it is in greatest need, with a distinct focus on net zero carbon/clean growth and promoting modal shifts. The scheme will drive the vibrancy and heritage of Guisborough High Street, unlock significant housing development and deliver sustainable economic growth.

Alignment and support for existing investments

Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality

The three projects complement and align with other funding streams and other investments, including private sector investments, as set out below:

Project 1 - Guisborough Regeneration and Accessibility:

- Tees Valley Combined Authority Sustainable Transport Settlements Funding - £2.59m of match funding will be provided to contribute to the town Centre improvement works.

- Tees Valley Combined Authority Indigenous Growth Fund - £0.05m of TVCA match funding will be provided to contribute to the Chapel Beck footpath improvement works.

- Tees Valley Combined Authority 'Welcome To' funding - £0.2m of Council match funding will be provided to contribute to the Bakehouse Square public realm improvement works.

- The civic focal point of Guisborough is the Grade II listed Town Hall for which RCBC and a community partnership has recently attracted TVCA and National Lottery Heritage Fund funding to bring back an empty and run-down building into a new mixed-use building incorporating high quality visitor accommodation on the top two floors and community / heritage / tourist information space, a commercial unit and ancillary space for the upstairs uses on the ground floor. The external funding will also support public realm improvements to enhance access and aesthetics into and around the building. This project is regarded as a catalyst to bring about a step change for Guisborough and is at the heart of the town centre masterplan. The proposed LUF works will complement this investment by improving the public realm and connectivity around the Town Hall.

- The Guisborough to Nunthorpe Active Travel Route aligns with the wider Tees Valley Local Cycling & Walking Infrastructure Plan which includes the provision of cycle routes to other locations in the Borough. The Active Travel Route will join a further section of active travel route which is being delivered through £0.745m of Sustrans funding. This element of the project also aligns with separate a LUF2 bid which is being developed for the Redcar constituency area which includes an active travel route from Teesworks to Nunthorpe (see Appendix 7). Although this bid is not dependent on this investment, if both active travel routes are delivered alongside the Sustrans investment they will complement each other by providing a continuous sustainable active travel route linking Teesworks, Nunthorpe and Guisborough.

Project 2 – South Middlesbrough Accessibility:

- The requested LUF investment will fund the delivery of Phases 1-3 of the Newham Grange Highway Scheme. Once delivered, this will leverage private

sector investment in the adjacent allocated housing site at Coulby Newham. The Council is proposing to appoint a contractor to deliver the road infrastructure and then sell serviced developer plots to a private sector developer(s) to deliver the housing units.

Explain how the bid aligns to and supports the government's expectation that all local road projects will deliver or improve cycling and walking infrastructure

The Guisborough to Nunthorpe Sustainable Active Travel Route which will be delivered as part of Project 1 will form a continuous 8.7 km route between Nunthorpe Rail Station and Guisborough Town Centre serving public transport interchanges, schools, and recreation opportunities. Part of the scheme provides a connection to the separate South Bank to Nunthorpe LUF Proposal and is subject to a separate funding bid by Tees Valley Combined Authority/Network Rail. The route meets the key LCWIP design outcomes of directness, coherence, attractiveness, safety and comfort.

The measures proposed will comply with latest DfT Cycling Infrastructure Design guidance with respect to path widths, surfacing, gradients, crossing types, and segregation from traffic where this is possible.

Full compliance is not possible for just 4% of the route. Alternative routes have been rejected because of the length of diversion required, topography or land ownership challenges. A Pegasus crossing of the A1043 will require a local speed limit of 50mph max. The short sections of route which are not fully compliant include:

- Footpath between Railway Path and Lyndale (100m) - requires a steep climb of roughly 10% gradient. There is no alternative route and an over-engineered switchback solution may be inappropriate in this rural setting.
- Hutton Lane (170m) & The Avenue (80m), Guisborough - requires a mixed traffic solution where existing traffic volumes will most likely exceed the threshold for the proposed 20mph speed limit and traffic calmed road layout.

The compliance of the route with LTN 120 is shown on Appendices 8 and 9 which have been prepared by SYTRA specifically for the purposes of this LUF application.

Confirm which Levelling Up White Paper Missions your project contributes to

Select Levelling Up White Paper Missions (p.120-21)

Transport Infrastructure
Health
Wellbeing
Pride in Place
Housing
Crime

Write a short sentence to demonstrate how your bid contributes to the Mission(s)

- Transport infrastructure – The scheme will deliver Phases 1-3 of the Newham Grange Highway Scheme and the Guisborough to Nunthorpe Sustainable Active Travel Route.
 - Wellbeing – The Guisborough to Nunthorpe Sustainable Active Travel Route will encourage residents to undertake more physical activity and have health and wellbeing benefits.
 - Pride in place – The Guisborough Town Centre improvement works will improve the physical environment and perceptions of Guisborough and improve local pride in Guisborough.
 - Housing – Delivery of Phases 1-3 of the Newham Grange Highway Scheme will enable the development of circa 800 new homes in Coulby Newham.
 - Crime – The Guisborough Town Centre improvement works will provide additional street lighting, CCTV and safer pedestrian routes, reducing the likelihood of crime and antisocial behaviour.
 - Health - The Guisborough to Nunthorpe Sustainable Active Travel Route will encourage residents to undertake more physical activity and have health and wellbeing benefits.
-

Provide up to date evidence to demonstrate the scale and significance of local problems and issues

The local economy faces a number of significant challenges as outlined below:

- **High Deprivation** – At the local authority level and out of 317 districts nationally, Middlesbrough has the highest proportion of LSOAs within the national most deprived 10%. The area of Guisborough Town Centre where LUF proposals are focused is in the top 30% of most deprived Lower Super Output Areas (LSOAs) nationally and is within the top 20% most deprived LSOAs in terms of income deprivation and top 10% most deprived LSOAs for income deprivation affecting children (IMD 2019)
 - **High Unemployment** - The unemployment rate in Middlesbrough is 7.3% and in Redcar and Cleveland it is 5.9%, both are significantly above the Great Britain unemployment rate of 4.4% (ONS, 2022).
 - **High Levels of Workless Households** - The number of workless households in Redcar & Cleveland and Middlesbrough are significantly higher than the national average, at 21% and 24% respectively compared with 13.6% nationally (ONS, 2022).
 - **Below Average Wages** - Average wages for those in work are below the national average in Redcar & Cleveland and Middlesbrough at an average full time gross weekly pay of £512.50 and £528.80 respectively, compared with the national average of £613.10.
 - **Lack of Place Activation and Pedestrian Connectivity** - In January 2022 the High Streets Task Force completed an 'Unlocking Your Place Potential' visit to Guisborough and identified a lack of place activation as a barrier to the growth of Guisborough's town centre/ high street. The High Streets Task Force also found that Chaloner Street currently provides an unappealing pedestrian journey between Guisborough High Street and the main town centre car park and would benefit from wider pavements to enhance pedestrian journeys.
 - **Low Share of Local Visitor Numbers and Spend** - A study undertaken by Blue Sail tourism consultancy in 2020 found that Guisborough accounts for only 10% of total visits to the Redcar and Cleveland local authority area. The town is not currently maximising its potential due to poor quality public realm, lack of pedestrian connectivity within the town centre and limited place activation. The Blue Sail study also found that the potential of Guisborough Forest as a visitor destination is limited by lack of investment in the visitor infrastructure.
 - **Population Decline and Lack of Retention of Economically Active Households** – The adopted Middlesbrough Housing Local Plan (2014) states that Middlesbrough is currently experiencing population decline and identifies a requirement for the delivery of more middle and upper market sector family housing (semi-detached and detached housing) to attract and retain economically active households in Middlesbrough.
-

Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues

The response to 5.1.1 presents a summary of a number of the key local social and economic challenges within the South Middlesbrough and East Cleveland Constituency area, which are resulting in increasing disparities and deprivation within the area. The economic position and performance of the wider Redcar & Cleveland and Middlesbrough Boroughs are in critical danger of falling further behind if these inequalities, local issues and challenges are not addressed to enable more remote parts of the Boroughs to benefit from forthcoming economic growth at Teesworks and the Teesside Freeport.

All of the above socio-economic and market data and statistics provided in response to 5.1.1 are based on robust, most recently available and unbiased

data and information. A schedule of the key data sources applied and suitability of each for each key socio-economic indicator is presented below:

- Socio-economic Indicator – Deprivation:

- o Source - Index of Multiple Deprivation (IMD) 2019

- o Suitability, robustness and independence - The IMD is published by MHCLG and provides data at a LSOA level. It is the official measure of relative deprivation in England and is based on 39 separate indicators.

- Socio-economic Indicator – Unemployment/Benefit Claimants:

- o Source - Claimant Count via Nomis. Claimants as a proportion of residents aged 16-64, January 2021 - December 2021.

- o Suitability, robustness and independence - The Claimant Count is a measure of the number of people claiming benefits principally for the reason of being unemployed, based on administrative data from the benefits system.

- Socio-economic Indicator – Workless Households:

- o Source - ONS Annual Population Survey via Nomis Labour Market Profile, January to December 2021

- o Suitability, robustness and independence - The Annual Population Survey measures economic activity. A workless household is defined as a household where no-one aged 16 or over is in employment. The 2021 report is the most recently available and has been assessed at both Middlesbrough and Redcar & Cleveland Local Authority area level.

- Socio-economic Indicator – Below Average Wages:

- o Source - ONS Annual Survey of Hours and Earnings via Nomis Labour Market Profile, 2021

- o Suitability, robustness and independence - The Annual Survey of Hours and Earnings is based on a 1% sample of employees with information obtained from employers. Earnings by Residence figures show the median earnings in pounds for employees living in the area who are on adult rates of pay and whose pay was not affected by absence. The 2021 report is the most recently available and has been assessed at both Middlesbrough and Redcar & Cleveland Local Authority area level.

- Socio-economic Indicator – Lack of Place Activation and Pedestrian Connectivity:

- o Source - High Streets Task Force Unlocking Your Place Potential Report January 2022

- o Suitability, robustness and independence - January 2022 the High Streets Task Force undertook a 'Unlocking Your Place Potential' visit and analysis for Guisborough Town Centre. The purpose of the visit was to enable national experts on place management to identify the strengths of Guisborough Town Centre and recommend interventions which could be delivered to improve the vitality of Guisborough's High Street.

- Socio-economic Indicator – Low Share of Local Visitor Numbers and Spend:

- o Source - Blue Sail Redcar and Cleveland Destination Management Plan 2022-27

- o Suitability, robustness and independence - The Redcar and Cleveland Destination Management Plan was developed by specialist tourist consultants Blue Sail based upon location specific research. The Plan came into effect in 2022.

- Socio-economic Indicator – Population Decline and Lack of Retention of Economically Active Households:

- o Source - Middlesbrough Housing Local Plan 2014

- o Suitability, robustness and independence - The Middlesbrough Housing Local Plan was adopted in 2014 and is based on detailed Local Plan technical evidence which was examined through the Local Plan adoption process.

Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions

The data and evidence chosen is appropriate to the area of influence of the interventions and the nature of the interventions proposed. The Guisborough Regeneration and Accessibility project interventions are located within the Redcar & Cleveland Local Authority area and the South Middlesbrough Accessibility project is located in the Middlesbrough Local Authority area. As such, data for both local authority areas have been presented. The presented data on deprivation is presented at a more localised LSOA level for the IMD data specific to the intervention location. It is acknowledged that some of the key socio-economic indicators such as employment inequalities data is only available at a local authority level and so this data has been applied at this spatial scale.

It is acknowledged that the data presented from the adopted Middlesbrough Housing Local Plan 2014 is slightly dated, however, this data provides a detailed and granular analysis of Middlesbrough's Housing Needs which has been examined through the Local Plan adoption process and is considered to have considerable merit and be robust. The conclusions of the Local Plan are also supported by the most recently available Middlesbrough Housing Market Needs Assessment which was completed in 2021.

Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems

The proposal is fully aligned to the identified challenges identified in 5.1 above and will directly contributing to addressing these as below:

- Existing problem/ challenge – Deprivation:
 - o How the proposals will address this - The scheme will deliver a number of positive employment, skills, health, crime and environmental quality improvements and will deliver a positive transformational impact on Guisborough and the surrounding area. The package of projects will address a number of the deprivation issues through providing opportunities for local people. It will significantly enhance the quality of the physical environment and improve street lighting and CCTV and thereby reduce the propensity for crime events to occur. The scheme will also improve pedestrian safety and encourage healthier modes and transport, thereby reducing air pollution.
- Existing problem/ challenge – Unemployment/ Benefit Claimants:
 - o How the proposals will address this - The scheme will provide new construction and permanent operation employment positions within the retail floorspace which will be improved through the delivery of the scheme. The scheme will also safeguard existing retail jobs in Guisborough by increasing footfall, dwell time and visitor spend.
- Existing problem/ challenge – Workless Households:
 - o How the proposals will address this - The scheme will provide new construction and permanent operation employment positions within the retail floorspace which will be improved through the delivery of the scheme. The scheme will also safeguard existing retail jobs in Guisborough by increasing footfall, dwell time and visitor spend.
- Existing problem/ challenge – Below Average Wages:
 - o How the proposals will address this - The new construction and commercial (indirect) jobs which will be supported by the scheme will be high quality employment opportunities. The projects will support the economic growth of the wider Redcar and Middlesbrough economies, contributing to a potential growth in average wages across the Borough.
- Existing problem/ challenge – Lack of Place Activation and Pedestrian Connectivity:
 - o How the proposals will address this - The proposed public realm

improvements to Westgate, Chaloner Street, Bakehouse Square and Chapel Beck will improve the retail environment and pedestrian connectivity of Guisborough Town Centre.

- Existing problem/ challenge - Low Share of Local Visitor Numbers and Spend:

- o How the proposals will address this - The improvements to Guisborough Town Centre and the Forest Walkway & Visitor Centre will make Guisborough more attractive to visitors and increase visitor dwell time and spend.

- Existing problem/ challenge - Population Decline and Lack of Retention of Economically Active Households:

- o How the proposals will address this - Delivery of Phases 1-3 of the Newham Grange Highway Scheme will directly unlock the development of circa 800 new homes at the Coulby Newham. The delivery of new, high quality family homes at Coulby Newham will diversify Middlesbrough's housing stock and provide the types of homes required to retain economically active households in the Borough and reduce population decline.

The economic benefits of the scheme have been modelled using a bespoke economic appraisal model consistent with HMT Green Book methodologies, with a summary provided below.

Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs

A full economic appraisal has been undertaken by Cushman & Wakefield and SYSTRA using bespoke economic appraisal models which have been "tried and tested" previously with MHCLG/DLUHC and DfT. An overview of the key benefits/impacts, forecasting assumptions and the quality of the evidence used in the economic analysis is presented below. All assumptions and forecasts are aligned to a robust evidence base and national appraisal guidance as far as possible.

Direct PV Land/Property Value Uplift (direct property improvements)

Land value uplift is a measure of private economic benefit accepted within the HMT Green Book. Established an agreed list of targeted properties in Guisborough Town Centre and used VOA data to obtain the current rateable value as a proxy for rental value. A C&W assumed capitalisation yield of 9% was then applied to derive an estimated current market value for each. Assumed 7.5% pa uplift in value as a result of the intervention for 5 years which is in full accordance with the DLUHC endorsed approach under the FHSF programme for wider value impacts and also aligns with the MHCLG Appraisal Guide. This reflects a 2.5% uplift for the direct property intervention in addition to the 5% uplift assumed for the wider public realm interventions around the properties (ensuring that these properties were not captured in the below wider LVU assessment to avoid double counting). A displacement rate of 20% is assumed which is a low level of displacement as per the MHCLG Appraisal Guide.

Indirect PV Occupied Commercial Land/Property Value Uplift

Land value uplift is a measure of private economic benefit accepted within the HMT Green Book. The public realm improvement works which will be delivered as part of the Guisborough Town Centre project are likely to have a transformational impact on the values of surrounding commercial properties. The scale and extent of the proposed overall improvement of this area could result in increased footfall and dwell time and indirectly result in an uplift to commercial property values within the improved area and across a wider surrounding area. There is an established body of evidence from across the UK and elsewhere which has been collated and drawn upon as part of this business case to inform the impact attribution. We established an appropriate area of impact based on evidence base of impacted walking times of location of investment. The current rateable value via VOA data of all commercial properties was applied as a proxy for rental value. A C&W assumed capitalisation yield of 9% was then applied to derive an estimated current

market value for each. Assumed 5% pa uplift in value as a result of the intervention for 5 years which is in full accordance with the DLUHC endorsed approach under the FHSF programme for wider value impacts and also aligns with the MHCLG Appraisal Guide. Displacement of 20% and nil deadweight.

Indirect PV Vacant Commercial Land/Property Value Uplift

Land value uplift is a measure of private economic benefit accepted within the HMT Green Book. Established the specific number of currently vacant commercial properties within the immediate vicinity of the target intervention site/area. Applied the MHCLG recommended approach to estimating the LVU associated 80% of these coming back into productive economic use as a result of LUF intervention, assuming VOA rateable values as a proxy for rental value, an assumed 9% capitalisation yield, nil economic EUV (as long term void properties with no productivity value) and a C&W assumed 10% of GDV private sector contribution to redevelopment costs. A 5% uplift to the rateable values was applied to reflect the assumed positive impact on values of the proposed LUF investment. 20% displacement assumed. LVU realised over a 5 year period post practical completion of the intervention. All assumptions applied in accordance with the MHCLG Appraisal Guide principles.

Indirect PV Residential Land/Property Value Uplift

The number of impacted dwellings was estimated through establishing an appropriate area of impact and overlaying this with Lower Super Output Areas (LSOA) using ONS 2011 Census datasets through Nomis (Key Statistic (KS401EW) Dwellings, Household Spaces and Accommodation Type). It is acknowledged that since 2011 there could have been some changes to the overall dwelling numbers as a result of new builds and demolitions, but that in practice in this area where there has been very limited new build activity due to the relatively dense urban environment, the overall net change is likely to be negligible. Using LandInsight property database, the average house price within area of impact was established and this enabled an estimation of the total existing GDV of residential property within the assumed area of impact. A one off value uplift of 2.5% was assumed which is within previously accepted DLUHC surrounding area uplift parameters (e.g. through the FHSF programme) and can be supported by evidence from elsewhere of uplift impacts. A 20% displacement adjustment was applied to this in accordance with a low level of displacement as per the MHCLG Appraisal Guide and nil deadweight allowance was made.

Direct PV Amenity Benefits

Monetised in full accordance with the approach set out within the MHCLG Appraisal Guide to reflect the economic values of new public open/green space including values associated with recreation, landscape, ecology and tranquillity. This was based on research undertaken by Efec and Entec, which valued the external amenity benefits associated with different land types. 20% displacement has been applied on the basis as a low level in accordance with the MHCLG Appraisal Guide

Recreation Welfare Benefits

Monetising user wellbeing benefits associated with interventions to enhance recreation assets is a well-accepted HMT Green Book principle. This was done using the ORVal Tool, a web application developed by the Land, Environment, Economics and Policy (LEEP) Institute at the University of Exeter with support from DEFRA. It can be accessed at: <http://leep.exeter.ac.uk/orval>. It allows users to explore the visitation and welfare values that are generated by currently accessible greenspaces. Welfare values can be viewed at individual site level or aggregated by regions. It was assumed there could be the potential for a 25% uplift in current visits as well as an assumed 25% uplift in the recreational welfare value per visit as a result of the LUF interventions. This is not considered an unreasonable uplift to assume based on the current offer and scale and nature of the investment proposals. 20% displacement has been applied to this which is a low level as per the MHCLG Appraisal Guide reflecting the lack of local recreational amenity provision of this specification and quality locally.

Active Travel Benefits – Sustainable Active Travel Routes

The Active Mode Appraisal Toolkit (AMAT) is a spreadsheet-based tool published by the Department for Transport (DfT) for use in assessing the overall benefits and costs of proposed walking and cycling interventions. It was designed to be compliant and consistent with UK Government appraisal guidance, including the HM Treasury Green Book and the DfT's Transport Analysis Guidance (TAG). The version of AMAT used was updated in May 2022 and accounts for the latest TAG updates and the TAG Data Book v1.18. Using AMAT is a standard approach to appraising the impacts of active travel improvement schemes and takes a range of factors into account, including pre- and post-intervention active travel demand, any proposed infrastructure upgrades and the characteristics of active travel in a certain area. In determining inputs into the AMAT appraisal, the AMAT user guide and TAG Unit A5.1 Active Mode Appraisal has been used. Please see appended SYSTRA technical note on this for further information (Appendix 10).

Valuing Urban Realm Toolkit (VURT) benefits associated with town centre accessibility and connectivity enhancements

The Valuing Urban Realm Toolkit (VURT) is a spreadsheet-based tool developed by Transport for London which is accepted by DfT in TAG methodology. The VURT is underpinned by research-derived 'Willingness to Pay' prices.

Baseline pedestrian environment data contained in the VURT has been obtained by way of an on-site Pedestrian Environment Review System (PERS) audit, which was undertaken on 1 May 2022. The PERS audit follows a framework designed to assess the quality of the pedestrian environment, with a baseline score assigned to various pedestrian-focused aspects of the town centre in terms of the environment as a link and as a space. The 'baseline' scores are then adjusted to 'scenario' scores based on the design and anticipated impacts of the proposed measures.

Distributional Benefits

Distributional analysis is a term used in the HMT Green Book to describe the assessment of the impact of interventions on different groups in society. As per the Green Book, a review of international evidence provides an estimate of the marginal utility of income at 1.3. The estimate of the marginal utility of income can be used to calculate welfare weights to adjust costs and benefits. Distributional analysis is accepted for LUF purposes and in the LUF guidance it is stated that "where proposals have a focus on a specific part of the UK, as is the case for LUF proposals, placed based analysis should be performed. The Gross Domestic Household Income per head of population was obtained for South Teesside (target group median equivalised income) and England (national median equivalised income) based on 2019 ONS data. Dividing the national median equivalised income by the same for the target group equates to a figure of 1.34 which when raised by the power of 1.3 as per the Green Book to reflect the marginal utility of income results in a distributional weighting of 1.4688.

Explain how the economic costs of the bid have been calculated, including the whole life costs

A bespoke economic appraisal model has been developed by Cushman & Wakefield which is based on the following core economic cost assumptions. All costs are fully consistent with the financial case but have been adjusted in accordance with the HM Treasury Green Book (2022). Key assumptions and adjustments include:

- All costs are modelled over a 30 year period and discounted at the HMT 3.5% social time preference rate per annum (as the discount rate). Economic costs are profiled in accordance with the scheme cashflow based on the year the costs will be incurred consistent with the financial case
- It is important to note that as per TAG and Green Book guidance, the monetised health related benefits within the AMAT benefits should be

discounted at 1.5% per annum in years 1-30. The AMAT health benefits in the workbook have been separated out to reflect this.

- In accordance with TAG, reduced infrastructure maintenance associated with the active travel scheme should be presented as part of the Present Value of Costs (not the PVB) as a negative cost although given the very small and immaterial scale of this it has been excluded from the PVC. This is a conservative approach.

- It is important to consider the potential for ongoing revenue costs in light of the do nothing/Business As Usual no LUF scenario as the Council is currently liable for maintaining the existing urban realm and highways within the town. Under a do nothing scenario with no capital investment, these maintenance costs are likely to increase over time. Therefore by investing in the proposed scheme, there could be a cost saving in this regard. So whilst the delivery of the scheme will incur a maintenance cost, the net additional cost over and above the business as usual position (accounting for likely increases in maintenance costs to maintain the existing urban realm, footpaths/cycleways and highways) is likely to be negligible. Furthermore, the proposed active travel route is intended to promote modal shifts away from vehicles on roads and this could result in a reduction in highway maintenance costs as a result. This is the rationale for not including any ongoing public sector revenue cost beyond the capital phase in the financial/economic case assessment. Further details on this can be provided if required by DLUHC but it is for this reason that in the economic costs tab of the appended worksheet no ongoing revenue costs have been included.

- Whilst the Newham Grange scheme will result in a land receipt to Middlesbrough Council this has not been presented as an income in the economic appraisal on the basis that the uplift in land value has already been accounted for as a private benefit in the numerator of the BCR (through the residual appraisal approach) and it is considered that including the land receipt as an income to reduce the net cost in the denominator as well could constitute potential double counting. This is considered a conservative approach in practice and if DLUHC considers that this is understating the BCR potential as a result we would be happy to run a sensitivity showing the net Council cost position as well as this would improve the BCR significantly.

- The base year of the appraisal is 2022/23 and no discounting is applied to this base year.

- The economic costs include the relevant cost contingencies applied within the financial case as advised by cost consultants.

- Exclusion of general inflationary allowances to costs to present all costs in 'real' present day values. All benefits are presented in real prices and this means the effects of general inflation should be removed. As a result, the March 2022 OBR deflation forecasts have been applied in the short term as the inflation forecast below to 2026/27 and in the medium-longer term, the OBR 2% per annum Bank of England target inflation rate has been applied from 2026/27 onwards.

- Application of HMT's GDP deflator (March 2022) to bring historic benefit costs and values into FY 2022/23 base year values

- Specifically in the economic case only is the inclusion of Optimism Bias (OB) on public sector costs in accordance with the Green Book Supplementary Guidance Note on this. The upper bound OB limit for capital expenditure in a standard building is 24% and the lower bound limit is 2%. The upper bound OB limit for capital expenditure in a standard civil engineering scheme is 44% and the lower bound limit is 3%. All schemes can be categorised as standard civil engineering schemes aside from the SOBC which is a consultancy commission in effect. All of the scheme components are at a feasibility/concept design and cost stage, however external professional cost consultancy advice has informed the latest cost estimates with inclusion of relevant contingencies as above. As a result, the following OB allowances have been applied:

- Guisborough Regeneration and Accessibility - 24% (mid-point of upper and lower bound levels for standard civil engineering schemes)

- South Middlesbrough Accessibility - 24% (mid-point of upper and lower bound levels for standard civil engineering schemes)

- Guisborough Multi Modal Transport Hub SOBC – 10% given the low risk associated with the procurement of a consultancy related commission to develop the SOBC with a fixed price budget that has already been market tested.

Describe how the economic benefits have been estimated

PLEASE SEE THE APPENDED TECHNICAL ECONOMIC BENEFITS METHODOLOGY AND ASSUMPTIONS PAPER (APPENDIX 10) AND THE SYSTRA TRANSPORT ECONOMIC APPRAISAL NOTE (APPENDIX 10). THE BELOW IS A SNAPSHOT SUMMARY.

A bespoke economic appraisal model has been developed which is based on the following key appraisal assumptions and this has then informed the development of the LUF workbook template:

- All monetised benefits are modelled over a maximum 30-year appraisal period (all for a shorter period than this in practice) and discounted at the HMT 3.5% social time preference rate per annum.
- The base year of the appraisal is 2022/23 and no discounting is applied to this year.
- Exclusion of general inflation to values beyond current day values. All values are presented as present day real values.
- Application of HMT's GDP deflator to bring historic benefit values into 2022/23 base year values
- Application of deadweight/displacement assumptions in accordance with the 2022 HMT Green Book/MHCLG Appraisal Guide
- Application of DfT's Active Mode Appraisal Toolkit (AMAT) through TAG to monetise the economic benefits of the proposed sustainable active travel route.
- Application of DfT's Valuing Urban Realm Toolkit (VURT) through TAG to monetise the economic benefits of the proposed town centre connectivity works.

The following benefit streams have been monetised along with details of key assumptions.

Guisborough Regeneration and Accessibility

- Direct PV Land/Property Value Uplift associated with commercial property improvement works – as part of the LUF interventions there is a proposed £0.6m capital property improvement fund which is intended to be invested into a number of target commercial properties. VOA data has been used to inform this uplifted to 2022/23 values. A 7.5% uplift in capital value per annum is assumed for a 5-year period, less 20% displacement results in a total PV net additional land/property value uplift benefit of £5.658m. This accounts for the 5% value uplift associated with the public realm below plus a 2.5% premium to reflect direct property intervention (these properties have been excluded from the below analysis).
- Indirect PV Land/Property Value Uplift – surrounding occupied commercial properties - the public realm improvement works which will be delivered as part of the Guisborough Town Centre project are likely to have a transformational impact on the values of surrounding commercial properties. The scale and extent of the proposed overall improvement of this area could result in increased footfall and dwell time and indirectly result in an uplift to commercial property values within the improved area and across a wider surrounding area. This has been estimated using VOA data to derive a capital value to which a 5% annual uplift for 5 years has been assumed, with 20% displacement adjustment. This resulted in a net additional PV property value uplift of £2.177m.
- Indirect PV Land/Property Value Uplift – surrounding vacant commercial properties - A further attribution of LVU benefits has been applied in relation to the presumption that the delivery of such a transformative scheme for Guisborough High Street could result in a significant reduction in the current ground floor retail voids along town centre streets. The economic value of this has been monetised using VOA data and applying 20% deadweight and 20%

displacement adjustments to result in a total PV net additional LVU benefit of £0.410m.

- Indirect LVU associated with uplift in value of surrounding residential properties - there is a clear logic chain linking an improved town centre (both in terms of quality and offer) with an uplift in surrounding residential property values given the enhanced resident appeal and therefore demand this could result in which therefore has a resultant impact on driving value uplift. An uplift to residential properties within an assumed area of impact (10 minute walking distance) was applied using ONS /Landinsight data and assuming a 2.5% one off value uplift with 20% displacement applied. This resulted in a net additional PV property value uplift of £9.557m.
- Recreation welfare benefits - the proposed improvements to the King George V Playing Fields include a number of interventions intended to promote usage and activity and promote personal health and wellbeing. Using the ORVal Tool, welfare values based on additional users and increased welfare benefits per user derived a 30-year PV benefit of £2.890m with a 20% displacement adjustment.
- Valuing Urban Realm Toolkit (VURT) benefits associated with town centre accessibility and connectivity enhancements - The Valuing Urban Realm Toolkit (VURT) is a spreadsheet-based tool developed by Transport for London. The VURT is underpinned by research-derived 'Willingness to Pay' prices. See the appended SYSTRA technical note on the detailed approach undertaken. This results in a PV benefit of £5.011m.
- Accessibility and connectivity benefits associated with new active travel route between Guisborough and Nunthorpe using DfT's Active Model Appraisal Toolkit (AMAT) - The DfT's Active Mode Appraisal Toolkit (AMAT) has been used to assess benefits of the scheme. This was undertaken by SYSTRA, experienced transport economic consultants. AMAT has been used to quantify benefits to pedestrians and cyclists of the proposed new active travel route. Please see the appended SYSTRA technical note on the detailed approach undertaken (Appendix 10). This results in a PV benefit of £7.260m.

South Middlesbrough Accessibility

- Direct PV Land Value Uplift associated with the LUF funded highways infrastructure at Newham Grange linked to the unlocked residential scheme - It is assumed that LUF investment to deliver phases 1-3 of the required access roundabout and spine road to unlock the Newham Grange residential allocation to deliver 809 new residential units directly on the back of the LUF funded infrastructure. The site is allocated within the adopted Local Plan and the 104 acre gross residential site area (residential parcels only) has the capacity to accommodate 1,000 residential dwellings overall. However, it is acknowledged that two of the development plots could come forward in the absence of the proposed roundabout and spine road from an existing roundabout to the north of the site. These two development plots could accommodate 191 dwellings and have been excluded from the analysis as deadweight on this basis. The land value uplift arising from the non-deadweight housing land changing from its current greenfield agricultural use to residential use has been monetised as a direct economic benefit of LUF intervention in the enabling infrastructure as proposed. The approach undertaken in full accordance with the HMT Green Book and MHCLG Appraisal Guide.

The analysis is based on Knight Frank informed existing and post scheme land value advice and all values are discounted and adjusted for displacement with an assumed 10-year delivery trajectory as advised by Knight Frank (Appendix 11). This results in a PV net additional LVU of £9.093m.

- Affordable Housing Health Related Benefits – the Newham Grange scheme will deliver 40 net additional affordable rented units and the MHCLG Appraisal Guide suggests an external benefit of £125 annum per affordable housing unit in 2016/17 terms over 30 years would be a valid assumption to present within an adjusted BCR. This has been adjusted to present values (2022/23) using the GDP deflator, equating to a value of £144 per annum per affordable housing unit. Applying this to the projected 40 affordable rented units proposed equates to a PV AH health benefit over 30 years of £0.086m. This is included in the adjusted BCR only as per the MHCLG Appraisal Guide.

Guisborough Multi Modal Transport Hub SOBC

No direct or indirect monetised economic benefits have been attributed to this at this stage given it is essentially to deliver an SOBC with no direct link to a monetised economic benefit at this stage.

Distributional analysis

Distributional analysis is a term used in the HMT Green Book to describe the assessment of the impact of interventions on different groups in society. Interventions may have different effects on individuals according to their characteristics (e.g. income level or geographical location). As per the Green Book, a review of international evidence provides an estimate of the marginal utility of income at 1.3. The estimate of the marginal utility of income can be used to calculate welfare weights to adjust costs and benefits. Distributional analysis is accepted for LUF purposes and in the LU guidance it is stated that “where proposals have a focus on a specific part of the UK, as is the case for LUF proposals, placed based analysis should be performed.

To calculate the distributional benefits for the purpose of this LUF bid, the following approach was taken:

- The Gross Domestic Household Income per head of population was obtained for South Teesside (target group median equivalised income) and England (national median equivalised income) based on 2019 ONS data. This was £16,531 for South Teesside and £21,978 for England
 - Dividing the national median equivalised income by the same for the target group equates to a figure of 1.34 which when raised by the power of 1.3 as per the Green Book to reflect the marginal utility of income results in a distributional weighting of 1.4688.
 - This was applied to the sum of the monetised benefits included within the initial BCR (excluding TAG related benefits linked to accessibility/connectivity interventions) to reflect the assumption that the LUF interventions will have a greater welfare impact on the target group (i.e. residents of Guisborough) versus the average taxpayer in England given the economic principle of the diminishing marginal utility of income and the variation in equivalised incomes of the target group against the national average. This was included within the Adjusted BCR only.
-

Provide a summary of the overall Value for Money of the proposal

As per the LUF Costings and Planning Workbook (Appendix 12), the overall value for money of the bid is presented below on an initial and adjusted basis as required:

- Initial BCR – 1.49
- Adjusted BCR – 2.14

This has been auto calculated in the workbook using the applied economic costs and benefits.

Overall, on the basis of the monetised benefits captured within the BCR only, the initial BCR of 1.49 represents an “acceptable” VFM outcome (as it exceeds 1) and the adjusted BCR represents a “high” VFM outcome on the basis it exceeds 2 as per DLUHC guidance. This reflects the total public sector economic costs.

The focus should be on the adjusted BCR as this accounts for the following not reflected in the initial BCR which reflect the full extent of the social value generation potential of the scheme:

- Recreation welfare benefits associated with users of the enhanced recreation ground
- Distributional benefits based on the economic principle of “diminishing marginal utility of income”. These are not applied to the TAG AMAT/VURT benefits but have been applied to all other benefits within the initial BCR.

As below, the scheme will deliver a number of wider non-monetised benefits not reflected in the BCR which should also be taken account of. It should also be acknowledged that the prevailing land/property values in this location are low and that the value uplift potential (and therefore the potential for very high BCRs) is therefore limited compared with other parts of the UK, hence the rationale for LUF investment to level up the local economy.

Taking account of the above and the below non-monetised benefits, the scheme as a whole is considered to represent a high value for money proposition to the public sector, which fully aligns with national and local Levelling Up agendas.

Upload explanatory note (optional)

Appendix 10 - Economic Benefits and VFM Technical Note.pdf

Have you estimated a Benefit Cost Ratio (BCR)?

Yes

Estimated Benefit Cost Ratios

Initial BCR 1.49

Adjusted BCR 2.14

Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

The scheme will deliver a number of wider non-monetised benefits not captured in the above BCR including:

- Net zero carbon benefits – whilst the AMAT approach accounts for greenhouse gas emission reductions associated with the active travel route the carbon reduction/net zero benefits of the wider scheme components have not been monetised. For example, the delivery of the enhanced playing fields including for example, increased greening etc will deliver wider carbon savings and benefits in accordance with the Council's net zero carbon objectives.
 - Delivery of temporary construction job opportunities – during the construction phase of the project, the scheme could support c.200 construction job years (20 FTE jobs) which could deliver wider national and local supply chain benefits.
 - Unlocking new housing development to meet local housing need – there is an identified and evidenced local need for new housing in Middlesbrough and to diversify the current tenure and typology which the Newham Grange scheme would deliver as one of the largest strategic housing allocations.
 - Promoting value uplift benefits and private sector led development and investment across the wider area – the scale and transformational nature of the scheme could improve perceptions of the South Middlesbrough and Guisborough area and result in additional value increases to enhance the viability of wider development schemes beyond those monetised above across a wider area. For example, it could assist to accelerate/unlock wider commercial and residential site development opportunities.
 - Enhancing the brand and perception of the area – one of the most significant challenges for the local area is in relation to its external negative perceptions given its association with the former industrial legacy of the area. The scheme will assist to drive investor and developer confidence and improve the overall quality of the South Middlesbrough and Guisborough brand as a location in which to live, work, visit and invest in.
 - Supporting the economic growth potential of Teesworks and the Teesside Freeport – South Middlesbrough and Guisborough is a key residential and commercial area to support the significant employment and economic growth opportunities that exist around Teesworks and the Freeport. Enhancing the area through promoting its Levelling Up will therefore fully complement wider national Government investment in the Tees Valley more generally to promote a wholly sustainable economic future for the Tees Valley economy as a whole.
-

Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

The scheme costs include relevant risk contingencies reflecting the cost risks that remain at this stage of the respective project development processes as per the scheme cost plans. These have been developed by external professional cost consultants. Furthermore, Optimism Bias allowances have been applied to all costs in the economic appraisal.

There are also benefit risks that could affect the VFM of the bid. However, the benefit assumptions are generally conservative in nature and the below sensitivity analysis on both the costs and benefits provides further reassurance of the VFM headroom that exists even if costs increase and benefits reduce.

Sensitivity and switching value analysis has been undertaken to understand the impacts of changes to key variables

The below clearly identifies that a significant increase in PV costs or reduction in PV benefits is required for the BCR to fall below 2:

- Percentage increase in PV economic costs for initial BCR to fall to below 1 – 50%
- Percentage decrease in PV benefits for initial BCR to fall below 1 – 33%
- Percentage increase in PV economic costs for adjusted BCR to fall to below 2 – 7%
- Percentage decrease in PV benefits for adjusted BCR to fall below 2 – 7%

Sensitivity Analysis

Sensitivity analysis has been undertaken as below. As can be seen the preferred option initial BCR retains an acceptable value for money position and the adjusted BCR a high VFM position under all modelled sensitivity scenarios:

1. 10% reduction in PV benefits - initial BCR reduces to 1.34 and adjusted BCR reduces to 1.92.
2. 10% increase in PV benefits - initial BCR reduces to 1.36 and adjusted BCR reduces to 1.95.

Upload an Appraisal Summary Table to enable a full range of impacts to be considered

Appraisal Summary Table 1

Upload appraisal summary table	Appendix 10 - Economic Benefits and VFM Technical Note.pdf
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Additional evidence for economic case

Additional evidence 1

Upload additional evidence	Appendix 10 - Economic Benefits and VFM Technical Note.pdf
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Confirm the total value of your bid

Total value of bid £22839859

Confirm the value of the capital grant you are requesting from LUF

Value of capital grant £19999859

Confirm the value of match funding secured

£2840000

Evidence of match funding (optional) Appendix 6 - TVCA Match Funding Letter and NYNPA Letter of Support.pdf

Where match funding is still to be secured please set out details below

The following match funding sources will be utilised:

- Tees Valley Combined Authority Welcome To Funding (Bakehouse Square) - £200,000
- Tees Valley Combined Authority Indigenous Growth Fund - £50,000
- Tees Valley Combined Authority Sustainable Transport Settlements Funding - £2,590,000
- Total - £2,840,000

All of the match funding sources identified are confirmed subject to receipt of the requested LUF investment. Evidence of match funding availability has been provided and is appended to this bid (Appendix 6).

There are no funding gaps and no further work is required to secure third party funding contributions.

Land contribution

If you are intending to make a land contribution (via the use of existing owned land), provide further details below

Not applicable.

Upload letter from an independent valuer

Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

The scheme budget does not include any unrecoverable VAT costs, these are excluded from all cost estimates.

Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget

The scheme costs are based on the following cost information sources. All of

the scheme costs have been prepared by experienced cost consultants and have been benchmarked against the RICS Build Cost Information Service and recently tendered prices of other similar schemes.

- Project 1 – Guisborough Regeneration and Accessibility:
 - o Guisborough Town Centre Improvement/ public realm works – cost estimate provided by experienced cost consultants, SUM. The full detailed cost plan is appended to this bid (within Appendix 13)
 - o Guisborough to Nunthorpe Active Travel Route – cost estimate prepared by experienced engineers and cost consultants WSP. The cost plan is appended to this bid (within Appendix 14).
 - Project 2 – South Middlesbrough Accessibility:
 - o Newham Grange Highway Scheme – cost estimate provided by Middlesbrough Borough Council's highways engineering team. The full detailed cost plan is appended to this bid (within Appendix 15).
 - Project 3 - Guisborough Multi Modal Transport Hub SOBC:
 - o SOBC cost estimate provided by Middlesbrough Borough Council based on an indicative quote provided by transport consultants SYSTRA.
-

Provide information on margins and contingencies that have been allowed for and the rationale behind them

The following contingency allowances have been applied to each element of the scheme:

- Project 1 – Guisborough Regeneration and Accessibility:
 - o Guisborough Town Centre Improvement/ public realm works – a 10% risk allowance has been included within the SUM cost plan on the basis that the costs are based on RIBA Stage 2 designs and therefore a contingency allowance of 10% is considered to be prudent and appropriate to account for the potential for future cost overruns.
 - o Guisborough to Nunthorpe Active Travel Route – the cost estimate prepared by WSP includes a 54% risk/ contingency allowance. This is considered to be appropriate due to the complex nature of transport engineering works required and stage of design work that is currently available (RIBA Stage 2).
 - Project 2 – South Middlesbrough Accessibility:
 - o Newham Grange Highway Scheme – cost estimate provided by Middlesbrough Borough Council's highways engineering team includes a 15% contingency allowance. This is considered to be reasonable and prudent given the complex nature of transport engineering works required and stage of design work that is currently available (RIBA Stage 2).
 - Project 3 - Guisborough Multi Modal Transport Hub SOBC:
 - o SOBC cost estimate provided by Middlesbrough Borough Council includes a £25,000 (or 15%) contingency to allow for the potential for quotes to complete the SOBC to exceed the indicative quote provided by SYSTRA.
-

Describe the main financial risks and how they will be mitigated

A risk register has been prepared for each project and these are appended to the bid.

- Project 1 - Guisborough Town Centre and Forest Walkway and Visitor Centre Improvements – (Appendix 16)
- Project 1 – Guisborough to Nunthorpe Active Travel Route – (Appendix 17)
- Project 2 – South Middlesbrough Accessibility – (Appendix 18)

The key financial risks of each project are summarised below alongside key risk mitigation measures:

- Project 1 – Guisborough Regeneration and Accessibility:
 - o Inflated construction costs increase the overall construction costs, affecting

the project viability – this risk will be mitigated by ensuring that the scheme cost consultants SUM review the cost estimates at regular intervals to ensure the cost estimates reflect latest available pricing information.

o LUF funding not secured which creates viability issues for the scheme – The Council will ensure that all information required to support the LUF bid is provided to ensure that the proposed scheme and case for investment is clearly presented and understood.

- Project 2 – South Middlesbrough Accessibility:

o LUF funding not secured which creates viability issues for the scheme – The Council will ensure that all information required to support the LUF bid is provided to ensure that the proposed scheme and case for investment is clearly presented and understood.

o Construction cost increases/ overruns – A 15% contingency allowance has been included within the scheme costs. The Council will also ensure that the scheme cost consultants review the costs at regular intervals to ensure the cost estimates reflect latest available pricing information.

- Project 3 - Guisborough Multi Modal Transport Hub SOBC:

o SOBC development costs exceed current estimates – The current cost estimate is based on an indicative quote for SYSTRA and includes a contingency allowance. Early engagement with potential suppliers/ consultants will be undertaken to ensure that sufficient budget is available to enable the SOBC to be developed.

Upload risk register

If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below

The South Middlesbrough Accessibility Project element of the bid will be delivered by Middlesbrough Borough Council. The £4.812m element of the requested LUF funding which is associated with this element of the bid will be provided to Middlesbrough Borough Council to fund the delivery of Phases 1-3 of the Newham Grange Highway Scheme. Although Redcar & Cleveland Borough Council are the lead applicant of this bid, Middlesbrough Borough Council will effectively sign up to the terms of any grant funding award through a back to back contract agreement.

As a local authority, sharing of the requested LUF grant is not considered to cause any subsidy control or public procurement compliance issues.

What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

The South Middlesbrough Accessibility Project element of the bid will be delivered by Middlesbrough Borough Council. The £4.812m element of the requested LUF funding which is associated with this element of the bid will be provided to Middlesbrough Borough Council to fund the delivery of Phases 1-3 of the Newham Grange Highway Scheme. Although Redcar & Cleveland Borough Council are the lead applicant of this bid, Middlesbrough Borough Council will effectively sign up to the terms of any LUF grant funding award through a back to back contract agreement.

Regular progress meetings will be held between the Redcar & Cleveland Borough Council and Middlesbrough Borough Council delivery teams to monitor the progress of delivery of the LUF projects. The Middlesbrough Borough Council delivery team responsible for the delivery of the Newham Grange Highway Scheme will be responsible for providing monitoring and evaluation information for this element of the project as required by DLUHC.

Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted

The delivery of Project 1 Guisborough Regeneration and Accessibility and Project 3 Guisborough Multi-Modal Transport Hub SOBC will be led and managed by Redcar and Cleveland Borough Council. The following commercial structure and procurement approach will be followed by the Council.

Commercial Structure

Redcar & Cleveland Borough Council is a unitary Local Authority and has a traditional management structure and reporting procedure focussed on an Executive Cabinet making decisions on an ongoing basis.

The Economic Growth Directorate will be responsible for managing the LUF programme and will provide client-side project management, reporting internally to Senior Officers, the Lead Cabinet Member for Economic Development, local MP and will be responsible for engaging with wider stakeholders and the general public. It has the skills and capacity to deliver exactly this type of package of projects. The Economic Growth Directorate is led by Andrew Carter, Assistant Director for Growth and Enterprise, who is responsible for reporting to Council Cabinet and the Managing Director, who will serve as the Senior Responsible Officer (SRO).

Andrew will be supported by Louise Anderson (Head of Place Investment and Development) and Robert Hoof (Assistant Director for Environment) who will lead the Project Delivery Teams, comprised of Project Lead Managers and multi-disciplinary specialists both internal and external of the Council. The broad principles of the Council's approach to project management are summarised below:

- Monthly Delivery Team Project Workshops review cost, project programme, risk/mitigation.
- Monthly Project Programme management meetings - attended by Senior Officers and the S151 Officer.
- 6 weekly reporting into the Growth Enterprise and Scrutiny Committee
- Yearly report to full Council by Portfolio Holder for Economic Development
- Day to day programme management will be provided by the Programme Manager (Head of Place Investment) liaising with the respective Project Managers

Reports to Council Cabinet and Scrutiny will monitor performance, budget, risk, outcomes and stakeholder benefits.

All projects will be delivered using the InControl framework as the delivery tool and governance structure. Based on HMT Green Book requirements, this enables a 360-degree review of the projects and sign off by accountable partners before the project proceeds to the next stage. Established risk and change management procedures are established within the InControl suite of documents. An overarching risk register has been established for each of the LUF projects. This high-level register will be used for each project and expanded upon as the project develops through the project lifecycle as it will become a live document that is regularly updated, tested and refined.

It is the purpose of the register to clearly identify all risks associated with the delivery of the project to ensure they can be managed, mitigated or impact reduced. Each project lead will be responsible for managing the risk register and as the project develops in more detail other aspects like risk owners and costs associated with individual risks can be applied.

Procurement Approach

The following work packages will be procured by Redcar & Cleveland Borough Council as part of the delivery of the project each as individual project packages:

Project 1 – Guisborough Regeneration and Accessibility:

- Guisborough Town Centre Public Realm improvement works construction contract (Westgate, Bakehouse Square, Chaloner Street and Chapel Beck).
 - o The Council will likely use the NEPO Framework (211 Civil Engineering and Infrastructure Lot 7 for Public Realm Works) for Westgate, Chaloner Street and Chapel Beck. The tender will be a mini competition through the framework based on a traditional JCT contract with contractor design portions. The number of contractors to tender will be a minimum of 3 and will be dependent on the availability and interest from the framework contractors as the scheme develops.
 - o The improvements to Bakehouse Square are to be constructed by the RCBC Highways Construction Team.
- King George V Playing Field improvement works contract.
 - o The tender will be a mini competition through the framework based on a traditional JCT contract with contractor design portions. The number of contractors to tender will be a minimum of 3 and will be dependent on the availability and interest from the framework contractors as the scheme develops.
- Guisborough to Nunthorpe Sustainable Active Travel Route construction contract.
 - o The Guisborough to Nunthorpe Sustainable Active Travel route will be constructed either by the Council's Highways Construction Team or via a procured Mains Contractor, utilising the NEPO Framework (221 Civil Engineering and Infrastructure, Lot 7).

Project 3 – Guisborough Multi Modal Transport Hub SOBC:

- Guisborough Multi Modal Transport Hub SOBC consultancy contract
 - o The Council will likely use the NEPO 212 framework for support services for the development of the built environment. Lot 2 multi-disciplinary transportation. The tender will be a mini competition through the framework based on a traditional consultancy contract. The number of consultants to tender will be a minimum of 3 and will be dependent on the availability and interest from the framework consultants as the scheme develops.

There is a requirement for the Council to procure either further consultancy/technical work or contractors to deliver the capital works. Any services/works contracts will be procured in full accordance with the Council's Procurement Policy, which accepts the use of pre-procured frameworks to promote timely/efficient outcomes where appropriate. The Council's Procurement Policy fully complies with The Public Contracts Regulations 2015 and The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020. Full details of the Council's Procurement Strategy are appended to this bid (Appendix 19) and the Middlesbrough Council policy is very similar to this and can be provided on request.

Each procurement will be appraised on most suitable procurement route aligned to the Council's procedures. This may be dependent on the scope of the work, its value and time constraints. Project team specialists and principal contractors will be procured using standard forms of contracts suited to the project (JCT, NEC etc.).

As outlined in the Council's Procurement Strategy, the Council are required to endeavour to achieve value for money in all purchasing activity. As such, a competitive process will be undertaken for the procurement of each contract. All contracts over the value of £10,000 are required to be procured using the Council's e-Procurement System. All tenders received will be recorded and evaluated against agreed evaluation criteria to ensure that the most economically advantageous bid is identified and selected. Existing pre-procured frameworks may also be used where there is an efficiency benefit in doing so and it will be ensured that this is in full accordance with the Council's procurement policy.

The Council's Procurement Strategy also complies with the HM Government Sourcing and Consultancy Playbook and HM Government Construction Playbook. All suppliers will be required to demonstrate how their proposal will provide Social Value as part of their tender submission and this will form a key part of the evaluation criteria during the assessment of the submissions.

The delivery of Project 2 South Middlesbrough Accessibility will be led and managed by Middlesbrough Borough Council. The following commercial structure and procurement approach will be followed by the Council.

Commercial Structure

Middlesbrough Borough Council is a unitary Local Authority and has a traditional management structure and reporting procedure focussed on an Executive Cabinet making decisions on an ongoing basis.

The Council's Design Services will lead the delivery of the project. The core project team will comprise the Civils Team including a Principal Civil Engineer, Civil Project Engineer, Civil Trainee Engineer and Principle Quantity Surveyor. Middlesbrough Council will appoint a suitable internal Project Manager for the Scheme following bid approval. The appointed PM will manage the scheme in accordance with the Council's adopted Project and Programme Management protocols.

Procurement Approach

The highway works construction contract will be procured by Middlesbrough Borough Council through the NEPO211 Civil Engineering & Infrastructure Works procurement system/ framework. This framework provides access to 27 major contractors including Tier 1 contractors which have all been pre-assessed for their experience, technical and professional ability to allow for faster procurement processes. The Framework has pre-agreed rates, terms and conditions and safeguards in place to ensure that the contract serves the Council's best interests and requirements.

The Council will appoint a contractor through a further competition exercise to ensure that best value for money is achieved. All received tenders will be evaluated using standardised monitoring and evaluation criteria to ensure that the most appropriate contractor is selected.

Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?

Project 1 – Guisborough Regeneration and Accessibility

Within Redcar & Cleveland Borough Council, Steve Newton is the Governance Director (Monitoring Officer) responsible for the commissioning and procuring of services. Debra Thorne, Commissioning and Procuring Manager leads a team of procurement agents and specialist; whom are CIPS qualified and have over 40 years' combined experience of procurement projects, in accordance with the Public Contract Regulations (2015).

Recent examples include a procurement exercise which realised the construction of a new £9.7m cinema in Redcar Town Centre, delivered within programme and £200,000 under budget in April 2022; no mean task given Covid constraints.

Senior Project Managers from the Place Investment Team will be responsible for the procurement of the project(s), all of whom have over 10 years' experience and proven track records of delivering schemes of this nature, size and value. Specialist procurement support and advice will be provided to the Council via Redcar & Cleveland Borough Council's Procurement Team and the Council's Legal Services team. Any support will be provided by consultants qualified or experienced in Local Government procurement processes &/or regulations.

The procurement approach for each project will be by advertisement of a contract opportunity in Contracts Finder or by a further competition under an existing Framework, for example North East Procurement Organisation or Procurement Hub.

The intention is for the procurement to be managed in house however should the need arise we will bring in external support via a procurement exercise. Experience and skills will be equal to if not more experienced than the

Council's procurement team ensuring they have local government experience.

Consultants: Procurement of any external professional services will be via the Council's in house Legal and Procurement teams in accordance with the Public Contract Regulations (2015), The procurement approach will be by advertisement of a contract opportunity through Find a Tender service or by a further competition under an existing Framework, for example North East Procurement Organisation or Procurement Hub.

A Checks and Balances approval process is in place to start the procurement process and then before award of the contract. Approvals must ensure sign off from the Monitoring Officer / 151 Officer, have Programme Management Group (PMG). We have a robust approval process in place

Contractors: When selecting a procurement route for a main contractor our focus has been on value for money and assurance of deliverability of the project. Options which have been considered are as follows:

- Single tender action, this option does not demonstrate value for money and there a number of contractors who can deliver a project of this nature,
- Open Market tender, two stage. It has been assessed that this route is likely to add around 7 weeks to the overall programme, and would not add intrinsic value to the project from both a capital, programme and value for money perspective.
- Framework, we have existing frameworks who have established contractors who have a credible history of delivering project of this scale and nature. All frameworks have competitive rates, dialogue and are legally compliant.

Following a procurement options analysis, it was concluded that the work should be procured via the Councils in house legal and procurement teams, via call off from existing compliant frameworks or in accordance with the Councils' procurement policy a legal and Public Contract Regulations framework agreement. This procurement route provides value for money contractor, legal compliance and is appropriate for a bid/project of this scale and nature.

Project 2 – South Middlesbrough Accessibility:

Middlesbrough Borough Council's Design Services team, specifically the Civils Section, will lead on the procurement of a suitable Main Contractor, through a framework or traditional tender for this type of work. The Civils Section have managed large infrastructure schemes previously including the A66 Through-about Scheme and the Dock Bridge and Road Scheme.

Project 3 – Guisborough Multi Modal Hub SOBC

The procurement of the SOBC contract will be managed via the same team within Redcar & Cleveland Council as per Project 1 above. The Council will be likely to procure this through an existing pre-procured highways consultancy framework via a mini competition.

Are you intending to outsource or sub-contract any other work on this bid to third parties?

Aside from the works/ contracts identified under the response to Question 6.2.1, no other works are expected to be outsourced or sub-contracted to third parties.

How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes

The delivery of Project 1 Guisborough Regeneration and Accessibility and Project 3 Guisborough Multi-Modal Transport Hub SOBC will be led and managed by Redcar and Cleveland Borough Council. As outlined within the Council's Procurement Strategy (Appendix 19), the Council will undertake due diligence as part of the evaluation process for all tenders. This will include checking the financial standing of all potential suppliers.

Procuring Officers must consult with the Council's legal team to ensure that appropriate terms and conditions of contract are agreed. All purchases must be subject to the Council's standard terms and conditions approved by legal services which include protections for the Council. For all contracts valued at and above of £350,000 or where the Contract is of an unusual or complex nature, Legal Services must be consulted to advise whether standard terms and conditions are appropriate before inviting tenders. Where the value of the proposed Contract is £350,000 and above, the Contract must be executed under seal by Legal Services. Procuring Officers must also ensure that the terms and conditions of Contract stipulate that the Contractor will retain Contract documentation in line with the Council's and National Auditing Office requirements.

As stated within the Council's procurement strategy, all contracts must include a clause reserve the right of the Council to terminate the Contract in full or in part and fulfil the requirement using an alternative supplier, where the Contractor fails to complete the Contract within the time specified or the manner determined in the terms and conditions. A clause must also be included to reserve the right of the Council to recover any additional costs resulting from Contractor Default. For contracts with a value of over £350,000 the Contract shall provide for the payment of liquidated damages by the Contractor where he fails to complete the Contract within the time specified or the manner determined in the terms and conditions.

The Council's Procurement Strategy also states that in Contracts for works, the Council will usually specify that a Contract performance bond will be required if the value or amount of the Contract is £350,000 or above, in addition to the retention of a proportion of the Contract sum, until the work has been satisfactorily completed and maintained, such a bond is to be released on the practical completion of the works.

These measures will be implemented in all relevant contracts/ appointments in relation to this Levelling Up fund bid to effectively manage the contracts so that they deliver the Council's desired outcomes. These measures will limit the Council's risk exposure and ensure the appointed contractors deliver on the agreed outcomes.

The delivery of Project 2 South Middlesbrough Accessibility will be led and managed by Middlesbrough Borough Council. The highway works construction contract will be procured by Middlesbrough Borough Council through the NEPO211 Civil Engineering & Infrastructure Works procurement system/ framework. The Framework has pre-agreed rates, terms and conditions and safeguards in place to ensure that the contract serves the Council's best interests and requirements and protect the Council against non-delivery of outputs.

Set out how you plan to deliver the bid

Management and Governance Structure:

The appended LUF project governance structure organogram outlines the governance structure which will be used by Redcar and Cleveland Borough Council to manage and monitor the delivery of the component projects of the bid (Appendix 20).

The delivery of Project 1 Guisborough Regeneration and Accessibility and Project 3 Guisborough Multi Modal Transport Hub SOBC will be managed by Redcar and Cleveland Borough Council's Place Development & Investment team. The team comprises experienced client project managers and who are currently delivering a wide range of area growth plan projects in the borough.

The team has recently been strengthened to develop and deliver further projects including the Redcar Town Deal and Loftus Future High Streets capital regeneration project delivery. The PDI team will manage the project PM and QS and the Principal Designers. The Project PM manages the design team and reports to the PDI team. The design teams on all projects are architect lead and include civil / structural engineers and MEP engineers. The council or the design team procures specialist consultancy or surveys as required. These teams are highly experienced and have full capability and capacity to deliver the projects. A detailed delivery team organogram is appended to this bid (Appendix 20).

The project will be managed by the Council's Delivery Project Managers who report to the Head of Place Investment. The Head of Place Investment will provide a report on progress to the Tees Valley Combined Authority and Guisborough Stakeholder Group at regular intervals. The Head of Place Investment will also report to the Council's Departmental Management Team and Programme Management Group. The Programme Management Group will be responsible for the Monitoring and Evaluation of the project (further detail provided in response to Question 6.4.1).

The Programme Management Group will report regularly to the Executive Management Team who will have overall responsibility for communicating progress on the project to the Redcar and Cleveland Borough Council Cabinet.

The delivery of Project 2 – South Middlesbrough Accessibility will be led by Middlesbrough Borough Council. The Council's Design Services will lead the delivery of the project. The core project team will comprise the Civils Team including a Principal Civil Engineer, Civil Project Engineer, Civil Trainee Engineer and Principal Quantity Surveyor. Middlesbrough Council will appoint a suitable internal Project Manager for the Scheme following bid approval. The appointed PM will manage the scheme in accordance with the Council's adopted Project and Programme Management protocols.

Delivery Plan Summaries

A summary of the delivery plan for each of the component projects of the bid is provided below:

Project 1 – Guisborough Regeneration and Accessibility:

Milestones:

A summary of the key project milestones as per the appended programme (within Appendix 24) are presented below:

Bakehouse Square

- Construction commencement – January 2023
- Practical completion – April 2023

Guisborough Forest Walkway & Visitor Centre

- Planning application submission – January 2023
- Planning application determination – February 2023
- Construction commencement – April 2023
- Practical completion – July 2023

Town Centre Commercial Grant Scheme

- Business engagement – January 2023
- Administration of grants – April 2023 to December 2024

Guisborough Town Centre Public Realm

- Planning application submission – July 2023
- Planning application determination – September 2023
- Construction commencement – January 2024
- Practical completion – November 2024

Guisborough to Nunthorpe Sustainable Active Travel Route

- Planning application submission – June 2023
- Planning application determination – August 2023
- Construction commencement – September 2023
- Practical completion – February 2024

Chapel Beck

- Planning application submission – October 2023
- Planning application determination – December 2023
- Construction commencement – May 2024
- Practical completion – September 2024

King George V Playing Fields

- Planning application submission – October 2023
- Planning application determination – December 2023
- Construction commencement – August 2024
- Practical completion – November 2024

Consents:

Full planning consent is required for the delivery of the town centre improvement works. The Council will develop planning applications for each element of the scheme alongside their appointed planning consultants. Early and ongoing engagement with the Council's planning department will be undertaken to ensure that the proposals are acceptable in planning terms and minimise the risk of delays.

Stakeholder Engagement:

Further public consultation will also be undertaken as part of the planning application development and determination process.

Project 2 – South Middlesbrough Accessibility:

Milestones:

A summary of the key project milestones as per the appended programme (within Appendix 24) are presented below:

- Planning application submission – December 2022
- Planning application determination – March 2023
- Construction commencement – April 2023
- Practical completion – April 2024

Consents:

Full planning consent is required for the delivery of Phases 1-3 of the Newham Grange Highway Scheme. The Council will develop planning applications for each element of the scheme alongside their appointed planning consultants. Early and ongoing engagement with the Council's planning department will be undertaken to ensure that the proposals are acceptable in planning terms and minimise the risk of delays.

Stakeholder Engagement:

Further public consultation will also be undertaken as part of the planning application development and determination process.

Project 3 – Guisborough Multi Modal Transport Hub:

If LUF funding is provided the development of the SOBC will commence in the 2022/23 financial year in terms of procurement of a consultant with spend and activity taking place in 2023/24. The Council will appoint a lead consultant to develop the OBC and further stakeholder engagement will be undertaken as part of this process.

Demonstrate that some bid activity can be delivered in 2022-23

Detailed project programmes for each of the component projects of the bid have been prepared and are appended to this bid (within Appendices 16 and 17 respectively). The following LUF project activity is programmed to commence in the 2022-23 Financial Year.

- Guisborough Town Centre public realm works project development – 2022/23 Financial Year.
 - Newham Grange Highway Scheme planning application development and submission – 2022/23 Financial Year.
 - Guisborough to Nunthorpe Active Travel Route project development – 2022/23 Financial Year.
-

Risk Management: Set out your detailed risk assessment

A full, detailed risk register has been developed for each of the component projects within the bid. These are appended to this bid (with Appendices 14 and 15). The risk registers quantify the key risks to the successful delivery of the project, alongside proposed mitigation measures and an identified risk owner and will be continually updated as a live project management tool through the delivery phases.

The key risks identified by the risk register are summarised below, alongside proposed mitigation measures and an identified risk owner/ manager:

Project 1 – Guisborough Regeneration & Accessibility:

- Risk - Inflated construction costs increase the overall construction costs, affecting the project viability.
 - o Mitigation - this risk will be mitigated by ensuring that the scheme cost consultants SUM review the cost estimates at regular intervals to ensure the cost estimates reflect latest available pricing information.
 - o Risk Owner – Redcar & Cleveland Borough Council/ appointed contractor.
- Risk - LUF funding not secured which creates viability issues for the scheme
 - o Mitigation – The Council will ensure that all information required to support the LUF bid is provided to ensure that the proposed scheme and case for investment is clearly presented and understood.
 - o Risk Owner – Redcar & Cleveland Borough Council.
- Risk – Failure to Secure Planning Consent
 - o Mitigation – The Mitigation - Early engagement between the Planning Consultant / Architect and Planning Department to be undertaken ensuring scheme is designed in accordance with planning guidance. Details from the Planning Pre-App to be incorporated in the planning submission.
 - o Risk owner – Redcar and Cleveland Borough Council/ planning consultant.
- Risk – Technical risks associated with the delivery of the Sustainable Active Travel Route
 - o Mitigation – undertaking of further technical and survey work to understand and mitigate against delivery risks.
 - o Risk Owner - Redcar & Cleveland Borough Council/ consultant team.

Project 2 – South Middlesbrough Accessibility

- Risk - Inflated construction costs increase the overall construction costs, affecting the project viability.
 - o Mitigation - this risk will be mitigated by ensuring that the scheme cost consultants review the cost estimates at regular intervals to ensure the cost estimates reflect latest available pricing information.
 - o Risk Owner –Middlesbrough Borough Council/ appointed contractor.
- Risk - LUF funding not secured which creates viability issues for the scheme
 - o Mitigation – The Council will ensure that all information required to support the LUF bid is provided to ensure that the proposed scheme and case for investment is clearly presented and understood.
 - o Risk Owner –Middlesbrough Borough Council.

- Risk – Technical risks associated with the highway Scheme
 - o Mitigation – undertaking of further technical and survey work to understand and mitigate against delivery risks.
 - o Risk Owner – Middlesbrough Borough Council/ consultant team.
- Risk – Failure to Secure Planning Consent
 - o Mitigation – The Mitigation - Early engagement between the Planning Consultant / Architect and Planning Department to be undertaken ensuring scheme is designed in accordance with planning guidance. Details from the Planning Pre-App to be incorporated in the planning submission.
 - o Risk owner – Middlesbrough Borough Council/ planning consultant.

Project 3 – Guisborough Multi Modal Transport Hub SOBC

- Risk – Lack of supplier/ consultant availability interest in developing SOBC
 - o Mitigation – early engagement will be undertaken with suppliers/ consultants to ensure that they are aware of the SOBC requirements.
 - o Risk owner – Redcar and Cleveland Borough Council.
- Risk - SOBC development costs exceed current estimates
 - o Mitigation - The current cost estimate is based on an indicative quote for SYSTRA and includes a contingency allowance. Early engagement with potential suppliers/ consultants will be undertaken to ensure that sufficient budget is available to enable the SOBC to be developed.
 - o Risk owner – Redcar and Cleveland Borough Council.

Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature

Redcar & Cleveland Borough Council will be the lead delivery organisation for Project 1 Guisborough Regeneration and Accessibility and Project 3 Guisborough Multi Modal Transport Hub SOBC. This will be led specifically by the established Place Development Investment Team which consists of professional project managers, with a wealth of experience delivering capital and revenue projects including leisure schemes, visitor attractions, infrastructure, housing and education facilities. The team has delivered over £75m of projects in Redcar and Cleveland in recent years, including a £33m leisure and civic building, creative industries business centre and a centre for young people. Work is currently ongoing to deliver around £12m in Loftus in connection with the Future High Street Fund, Redcar's £25m Town Deal and around £30m of investment secured through the Tees Valley Combined Authority Investment Plan.

The team will provide client-side project management, reporting internally to senior officers and politicians, stakeholder groups and be responsible for engaging with wider stakeholders, other funding partners and the general public. As well as Elected Member oversight through Scrutiny Committee discussions and Cabinet approval for projects of over £250k, the Council's internal project management procedures enable cross-departmental collaboration which ensures value for money, effective delivery and adherence to policy and strategy.

Green-Book and Five Case Model compliant Business Cases will be delivered for each project using RCBC's InControl Project Management Framework. It has been applied successfully to a range of regeneration projects since 2008 worth over £150m, representing a tried and tested system for development and delivery.

A detailed team organogram has been provided showing the key Redcar and Cleveland Borough Council personnel who will be responsible for the delivery of the project has been provided and is appended to this bid (Appendix 20). Overall responsibility for delivery will be held by Andrew Carter, Assistant Director G&E, and Louise Anderson, Head of Place Development and

Investment.

The delivery of Project 2 South Middlesbrough Accessibility will be managed by Middlesbrough Borough Council. The Council's Design Services will lead the delivery of the project. The core project team will comprise the Civils Team including A. Harvey - Principal Civil Engineer, H Green - Civil Project Engineer, A. Goodridge - Civil Trainee Engineer and G. Alexander - Principle Quantity Surveyor. Middlesbrough Council will appoint a suitable internal Project Manager for the Scheme following bid approval. The appointed PM will manage the scheme in accordance with the Council's adopted Project and Programme Management protocols.

Any other elements or services required for this project (e.g. Street Light Design) would be resourced as required either internally or via use of external consultants.

The team have significant experience of delivering similar civil engineering projects including the A666 Through-about scheme which comprises the introduction of a 'Through-about' – a signalised roundabout with two lanes of traffic in each direction running through the middle of it – at the A66/A171 Cargo Fleet Lane junction, together with the introduction of a signal-controlled crossroads at the junction of Cargo Fleet Lane and South Bank Road. The scheme has a value of circa £4million and was procured by the team through a traditional tender process.

The team also delivered Dock Bridge and Road Scheme which comprised an upgrade of existing dock bridge to vehicular bascule bridge, realignment and reconfiguration of local highway network to the northern and southern approaches and associated landscaping works. This project has a value of circa £10m.

Set out what governance procedures will be put in place to manage the grant and project

The delivery of Project 1 Guisborough Regeneration and Accessibility and Project 3 Guisborough Multi Modal Transport Hub SOBC will be managed by Redcar and Cleveland Borough Council.

Redcar and Cleveland Borough Council has an established Governance process in place which will be utilised to manage the delivery of the bid projects. The process is fully compliant with the HM Government Published Code of Conduct for Recipients of Government General Grants.

The Council will utilise its InControl Project Management framework toolkit, which has been developed using PRINCE 2 principles to ensure robust project delivery. This toolkit enables a 360 degree review of the project and sign off by accountable partners before the project proceeds to the next stage. This ensures strong project governance and delivery accountability. InControl has been developed specifically for Redcar and Cleveland Council and used successfully to deliver a wide range of projects within its regeneration portfolio since 2008. It is therefore a tried and tested project management system which also provides a framework for the governance of capital programme and project delivery. Each project stage requires the project delivery manager to complete a report for consideration by the Programme Management Group and the Departmental Management Team and the Executive Management Team, as appropriate. The Programme Management Group is chaired by the S151 Officer to ensure financial robustness at each stage of the project.

A project governance organogram has been provided and is appended to this bid (Appendix 20). The project will be managed but the Council's Delivery Project Managers who report to the Head of Place Investment. The Head of Place Investment will provide a report on progress to the Tees Valley Combined Authority and Guisborough Stakeholder Group at regular intervals. The Head of Place Investment will also report to the Council's Departmental Management Team and Programme Management Group. The Programme Management Group will be responsible for the Monitoring and Evaluation of the project (further detail provided in response to Question 6.4.1).

The Programme Management Group will report regularly to the Executive Management Team who will have overall responsibility for communicating progress on the project to the Redcar and Cleveland Borough Council Cabinet.

The delivery of Project 2 South Middlesbrough Accessibility will be managed by Middlesbrough Borough Council. Middlesbrough Borough Council have similar governance arrangements in place to Redcar & Cleveland Borough Council. Middlesbrough Council will appoint a suitable internal Project Manager for the Scheme following bid approval. The appointed PM will manage the scheme in accordance with the Council's adopted Project and Programme Management protocols. The delivery managers for each Council will have regular procurement meetings to monitor the progress of the LUF programme and ensure agreed outputs are being met.

If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised

Project 1 – Guisborough Regeneration & Accessibility:

When completed, the ongoing maintenance costs of the Guisborough Town Centre Public Realm Improvements, King George V Park improvements, the Guisborough Forest Walkway and Visitor Centre and Guisborough to Nunthorpe Sustainable Active Travel Route will be met by Redcar & Cleveland Borough Council through existing Council maintenance budgets.

It is important to consider these revenue costs in light of the do nothing/Business As Usual no LUF scenario too as the Council is currently liable for maintaining the existing urban realm and highways within the town. Under a do nothing scenario with no capital investment, these maintenance costs are likely to increase over time. Therefore by investing in the proposed scheme, there could be a cost saving in this regard. So whilst the delivery of the scheme will incur a maintenance cost, the net additional cost over and above the business as usual position (accounting for likely increases in maintenance costs to maintain the existing urban realm and highways) is likely to be negligible. Furthermore, the proposed active travel route is intended to promote modal shifts away from vehicles on roads and this could result in a reduction in highway maintenance costs as a result. This is the rationale for not including any ongoing public sector revenue cost beyond the capital phase in the financial/economic case assessment. Further details on this can be provided if required by DLUHC.

Project 2 – South Middlesbrough Accessibility:

When completed, Phases 1-3 of the Newham Grange Highway Scheme will be adopted by Middlesbrough Borough Council. The ongoing maintenance costs will be met through Middlesbrough Council highway maintenance budgets funded through the net additional Council Tax incomes generated by the new housing. There is therefore no net additional public sector cost as a result.

**Upload further information
(optional)**

Set out proportionate plans for monitoring and evaluation

The Monitoring and Evaluation plan for each project recognises the need to be reflective of the original strategic aims of the project and maintains a proportionate approach relative to the scale, value and scope of the proposed intervention. Redcar and Cleveland Borough Council and Middlesbrough Borough Council will report relevant monitoring information, particularly in relation to the scheme expenditure and outputs, to ensure that the intended outputs and outcomes of the project are realised. This will also ensure that

learning in respect of the project is shared to improve the management of future project and programme delivery.

The table below summaries the objective of the Monitoring and Evaluation alongside proposed research questions for each element of the bid aligned to the M&E details within the relevant tab in the appended LUF costings workbook.

Project 1 – Guisborough Regeneration & Accessibility:

M&E Objective – To determine whether the Guisborough Regeneration & Accessibility project has been delivered as proposed:

- Proposed research questions:
 - o Do the end scheme costs incurred align with cost estimates at this stage?
 - o Have the Guisborough Town Centre public realm and connectivity improvements been delivered as proposed?
 - o Have the King George V Park improvements been delivered as proposed?
 - o Has the active travel route been delivered as proposed (kms of route delivered)?
 - o Have the Guisborough Forest Walkway & Visitor Centre improvements been delivered as proposed?

M&E Objective – To determine whether the economic outcomes of the Guisborough Regeneration & Accessibility project have been realised:

- Proposed research questions:
 - o Do the end scheme costs incurred align with cost estimates at this stage?
 - o Have vacancy rates in Guisborough Town Centre been reduced?
 - o Has footfall and dwell time in Guisborough Town Centre increased?
 - o Have property values in the local area increased as a result of the scheme?
 - o Have user numbers of King George V Park increased?
 - o Have exercise levels in Guisborough's population been increased?
 - o Have visitor/ tourist numbers increased?

M&E Objective - To determine whether the pedestrian/ cycling benefits of the ATR have been realised?

- Proposed research questions:
 - o Has pedestrian and cycling safety been improved as a result of the ATR (monitoring of pedestrian and cycling road traffic accidents in Borough)?
 - o Have health and obesity levels improved?

Project 2 – South Middlesbrough Accessibility:

M&E Objective – To determine whether Phases 1-3 of the Newham Grange Highway Scheme have been delivered as proposed

- Proposed research questions:
 - o Do the end scheme costs incurred align with cost estimates at this stage?
 - o Have Phases 1-3 of the Newham Grange Highway Scheme been delivered as proposed (kms of highway)?

M&E Objective - To determine whether the economic outcomes of the Newham Grange development have been realised:

- Proposed research questions:
 - o Has the delivery of Phases 1-3 of the Newham Grange Highway Scheme resulted in the delivery of housing at the surrounding allocations (measure unit numbers)?

Project 3 – Guisborough Multi Modal Transport Hub SOBC

M&E Objective – To determine whether the Guisborough Multi Modal Transport Hub SOBC has been developed as proposed

- Proposed research questions:
 - o Has to SOBC been developed as a result of the project?
 - o Does the cost of the SOBC align with estimates at this stage?

Key deliverables that will be monitored include:

Inputs:

- o LUF Investment
- o TVCA Investment
- o RCBC Investment
- o Hours of RCBC Officer Resource

Outputs:

- Guisborough Regeneration & Accessibility:
 - o Delivery of public realm works at Westgate, Bakehouse Square and Chaloner Street
 - o Delivery of environmental and public realm improvements to Chapel Beck
 - o Direct shop front improvements to circa 100 properties in Guisborough Town Centre
 - o Delivery of a new sustainable Active Travel Route between Guisborough and Nunthorpe
 - o Delivery of greenspace and equipment improvements at King George V Playing Fields
 - o Delivery of improvements to the Guisborough Forest Walkway and Visitor Centre.
- South Middlesbrough Accessibility:
 - o Delivery of Phases 1-3 of the Newham Grange Highway Scheme
- Guisborough Multi Modal Transport Hub SOBC:
 - o Production of an SOBC to support the case for the delivery of a Guisborough Multi Modal Transport Hub in Nunthorpe.

Outcomes:

- Reduction in high street retail voids
- Increase in footfall and visitor numbers
- Uplift in land and property values in Guisborough Town Centre
- Increase in dwell time
- Increase in spend per visit
- Increased levels of physical activity in Guisborough's population
- Increased pedestrian and cycling accessibility and increased walking and cycling
- Increased use of King George V Playing Field
- Commencement of the delivery of 800 homes at the housing allocation surrounding the Newham Grange Highway Scheme
- Lower obesity levels and other health and wellbeing benefits

Impacts:

- A more attractive, revitalised and sustainable town centre in Guisborough.
- Improved health and wellbeing and increased walking and cycling amongst the local population
- Diversification of Middlesbrough's housing offer to retain more economically active households in the Borough.

Subject to the approval of DLUHC in relation to the agreed funded programme, the monitoring strategy will comprise different measures and data sources linked to the inputs, outputs, outcomes and impacts as per the Theory of Change model presented in response to an earlier question. Targets will be set on agreement with DLUHC on confirmation of funding and baseline measures will be provided where available. In some instances, the Council will need to commission or undertake baseline work to establish an appropriate starting point where this is not readily available or accessible and would be prepared to do this from the outset. We recognise that there may also be costs associated with for example, footfall monitoring and visitor surveys, that the Council will be prepared to fund if successful with the LUF award.

Our approach to monitoring of KPIs, milestones and wider benefits capture also includes:

- Agreeing target benefits at the point of finalising programme details, prior to delivery commencing, including indicators to be used, how they are anticipated to arise from supported activities, responsible owners and timescales for achievement;
- Alerting all members of the project delivery team to the anticipated range of benefits at the outset of activity so everyone is aware of the target indicators;
- Tasking the programme manager with overall responsibility for benefits capture with responsible owners to be identified against each indicator below this;

- Alerting works teams/contractors to the benefits they are responsible for realising and how evidence will need to be captured;
 - Having clear overall programme monitoring and evaluation approaches;
 - Reviewing progress against benefits indicators as part of project meetings and agreeing remedial actions in the event of performance below target; and
 - Completing a benefits register, updated as necessary on a rolling basis.
-

Senior Responsible Owner Declaration

Upload pro forma 7 - Senior Responsible Owner Declaration Appendix 3 - LUF Sign off Proformas.pdf

Chief Finance Officer Declaration

Upload pro forma 8 - Chief Finance Officer Declaration Appendix 3 - LUF Sign off Proformas.pdf

Publishing

URL of website where this bid will be published www.redcar-cleveland.gov.uk

Additional attachments

Additional file attachment 1

Upload attachment Appendix 1 - DWF Subsidy Control Opinion.pdf

Additional file attachment 2

Upload attachment Appendix 4 - Guisborough Regeneration - Design Report.pdf

Additional file attachment 3

Upload attachment Appendix 7 - WSP Active Travel Report.pdf

Additional file attachment 4

Upload attachment Appendix 8 - Guisborough East LTN 120 compliance.jpg

Additional file attachment 5

Upload attachment Appendix 9 - Guisborough West LTN 120 compliance.jpg

Additional file attachment 6

Upload attachment Appendix 11 - Newham Hall Desktop Valuation 01 07 2022.pdf

Additional file attachment 7

Upload attachment Appendix 13 - Guisborough Town Centre Improvements Cost Plan.pdf

Additional file attachment 8

Upload attachment	Appendix 14 - WSP Active Travel Route Cost Plan V4 17.2.22.xlsx
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Additional file attachment 9

Upload attachment	Appendix 15 - Newham Grange Highway Scheme Cost Plan.xls
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Additional file attachment 10

Upload attachment	Appendix 16 - Guisborough Town Centre Risk Register.xlsx
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Additional file attachment 11

Upload attachment	Appendix 17 - Guisborough to Nunthorpe ATR Risk Register.xlsx
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Additional file attachment 12

Upload attachment	Appendix 18 - South Middlesbrough Accessibility Risk Register.xlsx
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Additional file attachment 13

Upload attachment	Appendix 19 - Redcar & Cleveland Council Procurement Policy.pdf
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Additional file attachment 14

Upload attachment	Appendix 20 - Governance and Delivery Team Structures.pdf
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Additional file attachment 15

Upload attachment	Appendix 21- Forest Walkway Visitor Centre Access Designs.pdf
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Additional file attachment 16

Upload attachment	Appendix 22 - Forest Walkway Visitor Centre Visual.pdf
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Additional file attachment 17

Upload attachment	Appendix 23 - Newham Grange Highway Scheme Layout Plan.pdf
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Additional file attachment 18

Upload attachment	Appendix 24 - Scheme Programmes.pdf
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Additional file attachment 19

Upload attachment	Appendix 25 - Guisborough High Street Task Force Report.pdf
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Additional file attachment 20

Upload attachment	Appendix Contents.pdf
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Project 1 Name

Guisborough Regeneration & Accessibility

Provide a short description of this project

Delivery of a package of town centre public realm, active travel and accessibility interventions which will improve the economic performance, sustainability and vitality of Guisborough town centre and accessibility via active modes of travel to Teesworks and the North York Moors National Park.

Provide a more detailed overview of the project

£15.013m of LUF investment is sought to deliver a package of town centre public realm and sustainable/active travel interventions which will improve the vitality of Guisborough town centre and improve accessibility to Teesworks and the North York Moors National Park. The project comprises the following strands:

- Guisborough Town Centre public realm works on Westgate, Bakehouse Square and Chaloner Street, including the realignment of car parking areas, provision of outdoor retail space, street furniture, signage, trees/ planting and CCTV.
 - Chapel Beck environmental improvements to increase active usage of and create an attractive recreation space to act as a focus for visitors to Guisborough.
 - King George V Playing Field public realm and landscaping improvement works and replacement of recreation apparatus to promote natural play and deliver a new skate park.
 - Town Centre Commercial Grant Scheme – to attract and assist private businesses with shopfront and commercial property improvement works to improve the environment of Guisborough Town Centre.
 - Provision of a new sustainable active travel route (cycling and walking) from Guisborough to Nunthorpe, via the Guisborough Forest and Woodland Walkway Visitor Centre. This route is off road in the rural central section with connections to existing and proposed cycle routes for onward travel to East Cleveland, central Teesside and North Yorkshire including the North York Moors National Park.
 - Improvements to Guisborough Forest and Walkway Visitor Centre including sustainability enhancements and improved access/parking arrangements. See appendices 21 and 22 for details of the centre access and improvement designs.
-

Provide a short description of the area where the investment will take place for this project

See the ARC GIS plan showing the locations of the package of projects in the link below.

<https://www.arcgis.com/apps/View/index.html?appid=b1bbd92cdb0340408e58d70c939d67f0>

The Gillespies plan provided within Appendix 4 also shows the location of each intervention and interrelationship between other projects in the bid.

The Guisborough Regeneration and Accessibility project will be delivered in Guisborough Town Centre with interventions at the following locations:

- Westgate (TS14 6AH), Bakehouse Square (TS14 6HF), Chaloner Street (TS14 6QD) – public realm improvements
- Chapel Beck (TS14 6NA) - environmental improvements to increase active usage.
- King George V Playing Field (TS14 6LE) - public realm and equipment improvements.
- Town Centre Commercial Grant Scheme – targeted at commercial premises

- on:
- o Bakehouse Square
 - o Chaloner Street (TS14 6QD)
 - o Chaloner Mews (TS14 6SA)
 - o Market Place
 - o Westgate (TS14 6BA)
 - o Bow Street (TS14 6BP)
 - o Fountain Street (TS14 6QF)

- Provision of a new sustainable active travel route from Guisborough to Nunthorpe, via the Forest Walkway and Visitor Centre. This route is shown on the appended Active Travel Route network plan (route 5) and links to route 4 on the plan which is proposed under a separate LUF2 bid in the neighbouring Redcar constituency agency (Appendix 7). If delivered as a complementary package of works, the route will provide a new sustainable active travel route linking Guisborough and Nunthorpe with economic growth areas in the South Bank and Teesworks. It will also connect with the proposed site of the Guisborough multi-modal interchange (project 3 of this bid).
 - Guisborough Forest Walkway and Visitor Centre (TS14 8HD)
-

Transport project location details for this project

The Transport component of this project relates to the provision of a new sustainable active travel route from Guisborough to Nunthorpe, via the Forest Walkway and Visitor Centre - this route is shown on the appended Active Travel Route network plan (route 5) and links to route 4 on the plan which is proposed under a separate LUF2 bid in the neighbouring Redcar constituency agency (Appendix 7).

If delivered as a complementary package of works, the route will provide a new sustainable active travel route linking Guisborough and Nunthorpe with economic growth areas in the South Bank and Teesworks. It will also connect with the proposed site of the Guisborough multi-modal interchange (project 3 of this bid).

Further location details for this project

Project location 1

Postcode	TS14 6BA
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Grid reference	NZ613160
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Upload GIS/map file (optional)

% of project investment in this location	100%
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Select the constituencies covered by this project

Project constituency 1

Select constituency	Middlesbrough South and East Cleveland
---------------------	--

Estimate the percentage of this package project invested in this constituency	100%
---	------

Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Redcar and Cleveland
------------------------	----------------------

Estimate the percentage of this package project invested in this Local Authority	100%
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What is the total grant requested from LUF for this project?

£15012764

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	66%
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Cultural	0%
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Transport	34%
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Confirm the value of match funding secured for the component project

£2840000

Provide details of all the sources of match funding within your bid for this component project

The project will be delivered through the requested £15.013m LUF funding and the below match funding sources.

- Tees Valley Combined Authority Welcome To Funding (Bakehouse Square) - £200,000
- Tees Valley Combined Authority Indigenous Growth Fund - £50,000
- Tees Valley Combined Authority Sustainable Transport Settlements Funding - £2,590,000
- Total - £2,840,000

All of the match funding sources identified are confirmed subject to receipt of the requested LUF investment. Evidence of match funding availability has been provided and is appended to this bid (Appendix 6).

There are no funding gaps and no further work is required to secure third party funding contributions.

Value for money

PLEASE SEE THE APPENDED TECHNICAL ECONOMIC BENEFITS METHODOLOGY AND ASSUMPTIONS PAPER (APPENDIX 10). THE BELOW IS A SNAPSHOT SUMMARY.

A bespoke economic appraisal model has been developed which is based on the following key appraisal assumptions and this has then informed the development of the LUF workbook template:

- All monetised benefits are modelled over a maximum 30-year appraisal period (all for a shorter period than this in practice) and discounted at the HMT 3.5% social time preference rate per annum.
- The base year of the appraisal is 2022/23 and no discounting is applied to this year.
- Exclusion of general inflation to values beyond current day values. All values are presented as present day real values.
- Application of HMT's GDP deflator to bring historic benefit values into 2022/23 base year values
- Application of deadweight/displacement assumptions in accordance with the 2022 HMT Green Book/MHCLG Appraisal Guide
- Application of DfT's Active Mode Appraisal Toolkit (AMAT) through TAG to monetise the economic benefits of the proposed sustainable active travel route.
- Application of DfT's Valuing Urban Realm Toolkit (VURT) through TAG to monetise the economic benefits of the proposed town centre connectivity works.

The following benefit streams have been monetised along with details of key assumptions.

Guisborough Regeneration and Accessibility

- Direct PV Land/Property Value Uplift associated with commercial property improvement works – as part of the LUF interventions there is a proposed £0.6m capital property improvement fund which is intended to be invested into a number of target commercial properties. VOA data has been used to inform this uplifted to 2022/23 values. A 7.5% uplift in capital value per annum is assumed for a 5-year period, less 20% displacement results in a total PV net additional land/property value uplift benefit of £5.658m. This accounts for the 5% value uplift associated with the public realm below plus a 2.5% premium to reflect direct property intervention (these properties have been excluded from the below analysis).
- Indirect PV Land/Property Value Uplift – surrounding occupied commercial properties - the public realm improvement works which will be delivered as part of the Guisborough Town Centre project are likely to have a transformational impact on the values of surrounding commercial properties. The scale and extent of the proposed overall improvement of this area could result in increased footfall and dwell time and indirectly result in an uplift to commercial property values within the improved area and across a wider surrounding area. This has been estimated using VOA data to derive a capital value to which a 5% annual uplift for 5 years has been assumed, with 20% displacement adjustment. This resulted in a net additional PV property value uplift of £2.117m.
- Indirect PV Land/Property Value Uplift – surrounding vacant commercial properties - A further attribution of LVU benefits has been applied in relation to the presumption that the delivery of such a transformative scheme for Guisborough High Street could result in a significant reduction in the current ground floor retail voids along town centre streets. The economic value of this has been monetised using VOA data and applying 20% deadweight and 20% displacement adjustments to result in a total PV net additional LVU benefit of £0.410m.
- Indirect LVU associated with uplift in value of surrounding residential properties - there is a clear logic chain linking an improved town centre (both in terms of quality and offer) with an uplift in surrounding residential property values given the enhanced resident appeal and therefore demand this could result in which therefore has a resultant impact on driving value uplift. An uplift to residential properties within an assumed area of impact (10 minute walking distance) was applied using ONS /Landinsight data and assuming a 2.5% one off value uplift with 20% displacement applied. This resulted in a net additional PV property value uplift of £11.946m
- Direct PV Amenity Benefits associated with new public open space - the 2016 MHCLG Appraisal Guide suggests that amenity benefit relating to the provision of new public open/green space can be included in the central or initial BCR. This benefit has been applied to the new public open space

proposed as part of the scheme which results in a PV net additional amenity benefit over the 30 year appraisal period of £0.413m after adjusting for 20% displacement.

- Recreation welfare benefits - the proposed improvements to the King George V Playing Fields include a number of interventions intended to promote usage and activity and promote personal health and wellbeing. Using the ORVal Tool, welfare values based on additional users and increased welfare benefits per user derived a 30 year PV benefit of £2.890m with a 20% displacement adjustment.
- Valuing Urban Realm Toolkit (VURT) benefits associated with town centre accessibility and connectivity enhancements - The Valuing Urban Realm Toolkit (VURT) is a spreadsheet-based tool developed by Transport for London. The VURT is underpinned by research-derived 'Willingness to Pay' prices. See the appended SYSTRA technical note on the detailed approach undertaken. This results in a PV benefit of £5.011m.
- Accessibility and connectivity benefits associated with new active travel route between Guisborough and Nunthorpe using DfT's Active Model Appraisal Toolkit (AMAT) - The DfT's Active Mode Appraisal Toolkit (AMAT) has been used to assess benefits of the scheme. This was undertaken by SYSTRA, experienced transport economic consultants. AMAT has been used to quantify benefits to pedestrians and cyclists of the proposed new active travel route. Please see the appended SYSTRA technical note on the detailed approach undertaken (Appendix 10). This results in a PV benefit of £7.260m.

Distributional analysis

Distributional analysis is a term used in the HMT Green Book to describe the assessment of the impact of interventions on different groups in society. Interventions may have different effects on individuals according to their characteristics (e.g. income level or geographical location). As per the Green Book, a review of international evidence provides an estimate of the marginal utility of income at 1.3. The estimate of the marginal utility of income can be used to calculate welfare weights to adjust costs and benefits. Distributional analysis is accepted for LUF purposes and in the LU guidance it is stated that "where proposals have a focus on a specific part of the UK, as is the case for LUF proposals, placed based analysis should be performed.

To calculate the distributional benefits for the purpose of this LUF bid, the following approach was taken:

- The Gross Domestic Household Income per head of population was obtained for South Teesside (target group median equivalised income) and England (national median equivalised income) based on 2019 ONS data. This was £16,531 for South Teesside and £21,978 for England
- Dividing the national median equivalised income by the same for the target group equates to a figure of 1.34 which when raised by the power of 1.3 as per the Green Book to reflect the marginal utility of income results in a distributional weighting of 1.4688.
- This was applied to the sum of the monetised benefits included within the initial BCR (excluding TAG related benefits linked to accessibility/connectivity interventions) to reflect the assumption that the LUF interventions will have a greater welfare impact on the target group (i.e. residents of Guisborough) versus the average taxpayer in England given the economic principle of the diminishing marginal utility of income and the variation in equivalised incomes of the target group against the national average. This was included within the Adjusted BCR only.

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

Not applicable – an overall Benefit Cost Ratio and Value for Money Assessment has been provided in response to Question 5.5 in the main application.

Benefit Cost Ratios

Initial BCR 1.47

Adjusted BCR 2.09

Non-monetised benefits for this project

The project will delivery a number of wider non-monetised benefits not captured in the above BCR including:

- Net zero carbon benefits – whilst the AMAT approach accounts for greenhouse gas emission reductions associated with the active travel route the carbon reduction/net zero benefits of the wider scheme components have not been monetised. For example, the delivery of the enhanced playing fields including for example, increased greening etc will deliver wider carbon savings and benefits in accordance with the Council's net zero carbon objectives.
 - Delivery of temporary construction job opportunities – during the construction phase of the project, the scheme could support c.160 construction job years (16 FTE jobs) which could deliver wider national and local supply chain benefits.
 - Promoting value uplift benefits and private sector led development and investment across the wider area – the scale and transformational nature of the scheme could improve perceptions of the South Middlesbrough and Guisborough area and result in additional value increases to enhance the viability of wider development schemes beyond those monetised above across a wider area. For example, it could assist to accelerate/unlock wider commercial and residential site development opportunities.
 - Enhancing the brand and perception of the area – one of the most significant challenges for the local area is in relation to its external negative perceptions given its association with the former industrial legacy of the area. The scheme will assist to drive investor and developer confidence and improve the overall quality of the South Middlesbrough and Guisborough brand as a location in which to live, work, visit and invest in.
 - Supporting the economic growth potential of Teesworks and the Teesside Freeport – South Middlesbrough and Guisborough is a key residential and commercial area to support the significant employment and economic growth opportunities that exist around Teesworks and the Freeport. Enhancing the area through promoting its Levelling Up will therefore fully complement wider national Government investment in the Tees Valley more generally to promote a wholly sustainable economic future for the Tees Valley economy as a whole.
-

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

Demonstrate that activity for this project can be delivered in 2022-23

£460,000 of LUF grant expenditure for this project is anticipated in the 2022-23 financial year. This will be used to fund project development activities for the Guisborough Town Centre public realm works, Chapel Beck improvements and Guisborough Forest Walkway and Visitor Centre improvements.

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

Not applicable – planning consents for the scheme are yet to be sought.

Upload content documents (optional)

Outstanding statutory powers/consents

Full planning consent is required for the delivery of the town centre improvement works. The Council will develop planning applications for each element of the scheme alongside their appointed planning consultants. Early and ongoing engagement with the Council's planning department will be undertaken to ensure that the proposals are acceptable in planning terms and minimise the risk of delays.

The following consents are required:

- Guisborough Forest Walkway and Visitor Centre full planning consent
 - o Planning application submission – January 2023
 - o Planning application determination anticipated – February 2023

 - Guisborough Town Centre Public Realm full planning consent
 - o Planning application submission – July 2023
 - o Planning application determination anticipated – September 2023

 - Guisborough to Nunthorpe Sustainable Active Travel Route full planning consent
 - o Planning application submission – June 2023
 - o Planning application determination anticipated – August 2023

 - Chapel Beck full planning consent
 - o Planning application submission – October 2023
 - o Planning application determination anticipated – December 2023

 - King George V Playing Fields
 - o Planning application submission – October 2023
 - o Planning application determination anticipated – December 2023
-

Project 2 Name

South Middlesbrough Accessibility

Provide a short description of this project

Delivery of the Newham Grange highway scheme, which will directly unlock the development of circa 800 residential units at an allocated major strategic and public sector owned housing site at Coulby Newham to the south of Middlesbrough Town Centre.

Provide a more detailed overview of the project

£4.812m of LUF investment is sought to fund the delivery of Phases 1 to 3 of the Newham Grange highway scheme, which will unlock the delivery of circa 800 housing units on this major strategic and Council owned, allocated

housing site at Coulby Newham to the south of Middlesbrough Town Centre (Local Plan Allocation H26). There is pent up demand for increased housing and diversity in the housing offer to meet the economic growth needs of Middlesbrough and the Teesworks opportunity. Details of the highways scheme layout and design are provided at Appendix 23.

Provide a short description of the area where the investment will take place for this project

See the ARC GIS plan showing the locations of the package of projects in the link below.

<https://www.arcgis.com/apps/View/index.html?appid=b1bbd92cdb0340408e58d70c939d67f0>

The Gillespies plan provided within Appendix 4 also shows the location of each intervention and interrelationship between other projects in the bid.

The Phase 1 to 3 South Middlesbrough Accessibility project will be delivered at land to the south of Stainton Way, Marton-in-Cleveland, TS8 9EA.

Transport project location details for this project

The Phase 1 to 3 South Middlesbrough Accessibility project will be delivered at land to the south of Stainton Way, Marton-in-Cleveland, TS8 9EA.

See Appendix 4 and Appendix 23.

Further location details for this project

Project location 1

Postcode	TS8 9EA
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Grid reference	NZ517132
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Upload GIS/map file (optional)

% of project investment in this location	100%
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Select the constituencies covered by this project

Project constituency 1

Select constituency	Middlesbrough South and East Cleveland
---------------------	--

Estimate the percentage of this package project invested in this constituency	100%
---	------

Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Middlesbrough
------------------------	---------------

Estimate the percentage of this package project invested in this Local Authority	100%
--	------

What is the total grant requested from LUF for this project?

£4812095

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	0%
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Cultural	0%
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Transport	100%
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Confirm the value of match funding secured for the component project

£0

Provide details of all the sources of match funding within your bid for this component project

The project will be delivered through the requested £4,812,095 LUF funding. There are no match funding sources associated with this project.

Value for money

PLEASE SEE THE APPENDED TECHNICAL ECONOMIC BENEFITS METHODOLOGY AND ASSUMPTIONS PAPER (APPENDIX 10). THE BELOW IS A SNAPSHOT SUMMARY.

A bespoke economic appraisal model has been developed which is based on the following key appraisal assumptions and this has then informed the development of the LUF workbook template:

- All monetised benefits are modelled over a maximum 30-year appraisal period (all for a shorter period than this in practice) and discounted at the HMT 3.5% social time preference rate per annum.
- The base year of the appraisal is 2022/23 and no discounting is applied to this year.
- Exclusion of general inflation to values beyond current day values. All values are presented as present day real values.
- Application of HMT's GDP deflator to bring historic benefit values into 2022/23 base year values
- Application of deadweight/displacement assumptions in accordance with the 2022 HMT Green Book/MHCLG Appraisal Guide
- Direct PV Land Value Uplift associated with the LUF funded highways

infrastructure at Newham Grange linked to the unlocked residential scheme - It is assumed that LUF investment to deliver phases 1-3 of the required access roundabout and spine road to unlock the Newham Grange residential allocation to deliver 809 new residential units directly on the back of the LUF funded infrastructure. The site is allocated within the adopted Local Plan and the 104 acre gross residential site area (residential parcels only) has the capacity to accommodate 1,000 residential dwellings overall. However, it is acknowledged that two of the development plots could come forward in the absence of the proposed roundabout and spine road from an existing roundabout to the north of the site. These two development plots could accommodate 191 dwellings and have been excluded from the analysis as deadweight on this basis. The land value uplift arising from the non-deadweight housing land changing from its current greenfield agricultural use to residential use has been monetised as a direct economic benefit of LUF intervention in the enabling infrastructure as proposed. The approach undertaken in full accordance with the HMT Green Book and MHCLG Appraisal Guide.

The analysis is based on Knight Frank informed existing and post scheme land value advice and all values are discounted and adjusted for displacement with an assumed 10 year delivery trajectory as advised by Knight Frank (Appendix 11). This results in a PV net additional LVU of £9.093m.

- Affordable Housing Health Related Benefits – the Newham Grange scheme will deliver 40 net additional affordable rented units and the MHCLG Appraisal Guide suggests an external benefit of £125 annum per affordable housing unit in 2016/17 terms over 30 years would be a valid assumption to present within an adjusted BCR. This has been adjusted to present values (2022/23) using the GDP deflator, equating to a value of £144 per annum per affordable housing unit. Applying this to the projected 40 affordable rented units proposed equates to a PV AH health benefit over 30 years of £0.086m. This is included in the adjusted BCR only as per the MHCLG Appraisal Guide.

Distributional analysis

Distributional analysis is a term used in the HMT Green Book to describe the assessment of the impact of interventions on different groups in society. Interventions may have different effects on individuals according to their characteristics (e.g. income level or geographical location). As per the Green Book, a review of international evidence provides an estimate of the marginal utility of income at 1.3. The estimate of the marginal utility of income can be used to calculate welfare weights to adjust costs and benefits. Distributional analysis is accepted for LUF purposes and in the LU guidance it is stated that “where proposals have a focus on a specific part of the UK, as is the case for LUF proposals, placed based analysis should be performed.

To calculate the distributional benefits for the purpose of this LUF bid, the following approach was taken:

- The Gross Domestic Household Income per head of population was obtained for South Teesside (target group median equivalised income) and England (national median equivalised income) based on 2019 ONS data. This was £16,531 for South Teesside and £21,978 for England
- Dividing the national median equivalised income by the same for the target group equates to a figure of 1.34 which when raised by the power of 1.3 as per the Green Book to reflect the marginal utility of income results in a distributional weighting of 1.4688.
- This was applied to the sum of the monetised benefits included within the initial BCR to reflect the assumption that the LUF interventions will have a greater welfare impact on the target group (i.e. residents of Guisborough) versus the average taxpayer in England given the economic principle of the diminishing marginal utility of income and the variation in equivalised incomes of the target group against the national average. This was included within the Adjusted BCR only.

BCR and value assessment

If it is not possible to provide an overall BCR for your

Not applicable – an overall Benefit Cost Ratio and Value for Money Assessment has been provided in response to Question 5.5 in the main application.

Benefit Cost Ratios

Initial BCR	1.61
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Adjusted BCR	2.39
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Non-monetised benefits for this project

The project will delivery a number of wider non-monetised benefits not captured in the above BCR including:

- Delivery of temporary construction job opportunities – during the construction phase of the project, the scheme could support c.40 construction job years (4 FTE jobs) which could deliver wider national and local supply chain benefits.
 - Unlocking new housing development to meet local housing need – there is an identified and evidenced local need for new housing in Middlesbrough and to diversify the current tenure and typology which the Newham Grange scheme would deliver as one of the largest strategic housing allocations.
 - Promoting value uplift benefits and private sector led development and investment across the wider area – the scale and transformational nature of the scheme could improve perceptions of the South Middlesbrough and Guisborough area and result in additional value increases to enhance the viability of wider development schemes beyond those monetised above across a wider area. For example, it could assist to accelerate/unlock wider commercial and residential site development opportunities.
 - Enhancing the brand and perception of the area – one of the most significant challenges for the local area is in relation to its external negative perceptions given its association with the former industrial legacy of the area. The scheme will assist to drive investor and developer confidence and improve the overall quality of the South Middlesbrough and Guisborough brand as a location in which to live, work, visit and invest in.
 - Supporting the economic growth potential of Teesworks and the Teesside Freeport – South Middlesbrough and Guisborough is a key residential and commercial area to support the significant employment and economic growth opportunities that exist around Teesworks and the Freeport. Enhancing the area through promoting its Levelling Up will therefore fully complement wider national Government investment in the Tees Valley more generally to promote a wholly sustainable economic future for the Tees Valley economy as a whole.
-

Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

Demonstrate that activity for this project can be delivered in 2022-23

LUF project activity will be undertaken in the 2022/23 financial year. £130,000 of LUF grant expenditure for this project is anticipated in the 2022-23 financial year. This will be used to fund project development activities and planning application development.

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

Not applicable – planning consents for the scheme are yet to be sought.

Upload content documents (optional)

Outstanding statutory powers/consents

Full planning consent is required for the delivery of Phases 1-3 of the Newham Grange Highway Scheme. The Council will develop planning applications for each element of the scheme alongside their appointed planning consultants. Early and ongoing engagement with the Council's planning department will be undertaken to ensure that the proposals are acceptable in planning terms and minimise the risk of delays. Submission of the planning application is programmed for December 2022, with determination expected in March 2023.

Project 3 Name

Guisborough Multi Modal Transport Hub

Provide a short description of this project

Development of a Strategic Outline Business Case (SOBC) to support the case for the delivery of a Multi Modal Transport Hub at Nunthorpe.

Provide a more detailed overview of the project

£0.175m of LUF investment is sought to fund the development of an SOBC to develop and progress the case for a Multi Modal Transport Hub at Nunthorpe. The Transport Hub will provide additional rail provision and sustainable transport routes (including park and ride) to Teesworks and the wider region.

Provide a short description of the area where the investment will take place for this project

See the ARC GIS plan showing the locations of the package of projects in the link below:

<https://www.arcgis.com/apps/View/index.html?appid=b1bbd92cdb0340408e58d70c939d67f0>

The Gillespies plan provided within Appendix 4 also shows the location of each intervention and interrelationship between other projects in the bid.

The proposed hub could provide a rail park and ride station at Morton Carr, near Nunthorpe.

Transport project location details for this project

The proposed hub could provide a rail park and ride station at Morton Carr, near Nunthorpe.

Further location details for this project

Project location 1

Postcode	TS7 0PF
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Grid reference	NZ545147
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Upload GIS/map file (optional)

% of project investment in this location	100%
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Select the constituencies covered by this project

Project constituency 1

Select constituency	Middlesbrough South and East Cleveland
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Estimate the percentage of this package project invested in this constituency	100%
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Select the local authorities / NI councils covered by this project

Project local authority 1

Select local authority	Redcar and Cleveland
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Estimate the percentage of this package project invested in this Local Authority	100%
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What is the total grant requested from LUF for this project?

£175000

What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre	0%
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Cultural	0%
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Transport	100%
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Confirm the value of match funding secured for the component project

£0

Provide details of all the sources of match funding within your bid for this component project

N/A

Value for money

No direct or indirect monetised economic benefits have been attributed to the Guisborough Multi Modal Transport Hub SOBC at this stage given it is essentially to deliver an SOBC with no direct link to a monetised economic benefit at this stage.

BCR and value assessment

If it is not possible to provide an overall BCR for your package bid, explain why below

It has not been possible to calculate a BCR for this project as no direct or indirect monetised economic benefits have been attributed to the Guisborough Multi Modal Transport Hub SOBC at this stage given it is essentially to deliver an SOBC with no direct link to a monetised economic benefit at this stage.

Benefit Cost Ratios

Initial BCR 0

Adjusted BCR 0

Non-monetised benefits for this project

The project will result in the development of an SOBC for a Multi Modal Transport Hub at Nunthorpe. If developed further the proposals could result in additional investment in the area and promotion of more sustainable modes of travel within the area.

Does this project include plans for some LUF grant expenditure in 2022-23?

No

Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

Demonstrate that activity for this project can be delivered in 2022-23

This project does not include plans for LUF grant expenditure in 2022/23, all expenditure is expected to be defrayed in the 2023/24 financial year. Both of the other component projects in this bid will have LUF expenditure in the 2022/23 financial year.

Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

N/A

Upload content documents (optional)

Outstanding statutory powers/consents

No consents are required to enable the development of an SOBC for the proposed Guisborough Multi Modal Transport Hub.
