

# Levelling Up Fund – Round 2 Application Guidance

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## Introduction

Prior to completing the online application form, applicants should read the LUF [Round 2 Prospectus](#), [Technical Note](#) and this Application Guidance.

This guidance note supports applicants from across the UK to complete their application. Recognising the different local government landscape in Northern Ireland, there are some aspects of the application that will be specific to Northern Ireland bids. Where this is the case, it will be made clear in the question being asked.

Please note that this document is a guide, rather than an exhaustive list of requirements.

Word counts are included for several questions throughout the application, these are provided as a guide only. The level of detail you provide in the online application form should be proportionate to the amount of funding that you are requesting. For example, bids for more than £10m should provide proportionally more information than bids for less than £10m.

Whilst there are some annexes that we ask applicants to complete (via the [pro forma documents](#) supplied) and some additional documents we request as evidence, applicants must point to specific additional text that they have submitted if they wish it to be considered in the assessment. Any answer referencing any information contained in annexes must be relevant to a specific question in the application form and referenced within the answer.

The application portal opens on Tuesday 31 May 2022 and will close at **12:00 noon, on Wednesday 6 July 2022**. Please ensure that the online application is complete and all supporting documents are uploaded by this deadline.

All of the proformas referred to in the table below can be downloaded in a zip file on [Application guidance](#) page along with the [Costings and Planning workbook](#).

### Part 1 - Gateway

Applicants will be asked a series of questions to ensure that they have met all the eligibility requirements for the bid type. This information sits outside the scoring framework but will affect how the bid is processed. The application will not be able to proceed until all the relevant eligibility checks have been met.

<b>Allowance checks in England, Scotland and Wales only.</b>	
Please confirm which bid allowance you are using:  - Constituency allowance - Transport allowance	This is to determine which bid allowance the local authority is using. For further details on Transport or Constituency bid allowances please see the <a href="#">Technical Note</a> .  Constituency allowance

<p><b>For bids using the transport allowance,</b> is your bid at least 90% investment in the transport theme with the remaining investment related to the transport element of the bid? Y/N</p>	<p>It is a requirement that bids using the transport allowance are at least 90% investment in transport.</p> <p>If No, bid is not eligible.</p> <p>N/A</p>
<p><b>Bids from a single applicant, excluding large transport and large culture bids</b></p>	
<p>Please confirm that the bid does not exceed £20 million. Y/N</p>	<p>Single bids cannot exceed £20 million unless they meet the criteria for a large transport or large culture bid.</p> <p>If No, and the bid does not meet the criteria for a large transport or large culture bid then it is not eligible.</p> <p>Yes</p>
<p><b>Package Bids</b></p>	
<p>Do you have more than three component projects? Y/N</p>	<p>It is a requirement that package bids have no more than three component projects.</p> <p>If Yes, the bid is not eligible.</p> <p>No.</p>
<p><b>Joint Bids</b></p>	
<p><b>For a joint bid in England, Scotland, and/or Wales,</b> please confirm the names of the other local authorities you are working jointly with and confirm which bid allowance they are using to support this bid.</p>	<p>The reason we ask for the names of the other participating local authorities is to ensure that the letters of support match with the name(s) provided.</p> <p>The reason we ask which bid allowances are being used is to ensure that all participating local authorities have sufficient allowance to apply.</p> <p>N/A</p>
<p><b>For a joint bid in Northern Ireland,</b> please confirm the registered names of the other organisations you are working jointly with.</p> <p>Please confirm if any of your partners are from the non-public sector.</p>	<p>It is a requirement that you provide the names of all the applicant organisations that you are jointly working with. Please ensure that the legally registered names are provided.</p> <p>Please note that all non-public sector lead applicants and partners on joint bids are required to meet the Northern Ireland Gateway criteria for non-public sector bids.</p> <p>N/A</p>

<p><b>All joint bids.</b> Do you have the support of the other organisations you are working with and have a signed <a href="#">pro forma</a> to this effect from each organisation? Y/N</p>	<p>Joint bids must have the support of all participating organisations. We will check that evidence of support has been provided from all parties.</p> <p>N/A</p>
<p><b>For bids in England, Scotland, and/or Wales,</b> please complete <a href="#">pro forma 2</a>.</p> <p><b>For bids in Northern Ireland,</b> please complete <a href="#">pro forma 3</a>.</p>	<p>For bids in <b>England, Scotland, and/or Wales,</b> please complete <a href="#">pro forma 2</a>.</p> <p>For bids in <b>Northern Ireland,</b> please complete <a href="#">pro forma 3</a>.</p> <p>If No, bid is not eligible.</p> <p>Appended</p>
<p><b>Joint bids with only one component project.</b> Please confirm that your bid does not exceed the maximum threshold allowable for joint bids with only one component project.</p> <p>I am submitting:</p> <ul style="list-style-type: none"> <li>- a joint bid that contains only one component project with one other applicant organisation and can confirm that the bid overall does not exceed £40 million grant value.</li> <li>- a joint bid that contains only one component project with two or more other applicant organisations and can confirm that the single component project within the bid (and therefore the bid overall) does not exceed £50 million grant value. Y/N</li> </ul>	<p>It is a requirement that joint bids do not exceed the maximum allowable threshold for the bid type. This question is for joint bids that have a single component project.</p> <p>Each applicant can request a maximum of £20 million of funding in a joint bid.</p> <p>A joint bid from two applicants can request a maximum of £40 million.</p> <p>A joint bid from three or more applicants can request up to £50 million.</p> <p>No more than £50 million of investment may be requested for any one individual component project within a joint bid.</p> <p>If No, bid is not eligible.</p> <p>N/A</p>

<p><b>Joint bids with multiple component projects.</b> Please confirm that your bid does not exceed the maximum threshold allowable for joint bids that contain multiple component projects.</p> <p>I am submitting:</p> <ul style="list-style-type: none"> <li>- 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. Y/N</li> <li>- a joint bid that contains multiple component projects (maximum of three) with two or more other applicant organisations and can confirm that no</li> </ul>	<p>It is a requirement that joint bids do not exceed the maximum allowable threshold for the bid type. This question is for joint bids that have multiple component projects.</p> <p>Each applicant can request a maximum of £20 million of funding in a joint bid.</p> <p>A joint bid from two applicants could request a maximum of £40 million.</p> <p>A joint bid with multiple component projects from three or more applicants can request up to £60 million.</p> <p>No more than £50 million of investment may be requested for any one</p> <p>N/A</p>
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<p>single component project within the bid exceeds £50 million grant value. Y/N</p> <ul style="list-style-type: none"> <li>- a joint bid that contains multiple component projects (maximum of three) with two or more other applicant organisations and can confirm that the total for the overall bid does not exceed £60 million grant value. Y/N</li> </ul>	<p>individual component project within a joint bid.</p> <p>If No, bid is not eligible.</p>
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**Large transport bids (from a single applicant) >£20 million**

<p>Please confirm that the bid does not exceed £50 million.</p> <p>Y/N</p>	<p>It is a requirement that large transport bids do not exceed £50 million.</p> <p>If No, the bid is not eligible.</p> <p>N/A</p>
<p>Please confirm that at least 90% of the investment is in the transport theme. The remaining investment must be related to the transport element of the bid?</p> <p>Y/N</p>	<p>It is a requirement that large transport bids are at least 90% investment in transport.</p> <p>If No, the bid is not eligible.</p> <p>N/A</p>

**Large cultural bids (from a single applicant) >£20 million**

<p>Please confirm that the bid does not exceed £50 million.</p>	<p>It is a requirement that large culture bids do not exceed £50 million.</p>
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Y/N	If No, the bid is not eligible. N/A
Please confirm that at least 90% of the investment is in the cultural theme with the remaining investment related to the cultural element of the bid. Y/N	It is a requirement that large culture bids are at least 90% investment in culture. If No, the bid is not eligible. N/A
<b>Transport bids from the Northern Ireland Executive (NIE)</b>	
<b>For transport bids in Northern Ireland from the Northern Ireland Executive (NIE), do you have the support of the relevant local council(s)?</b> Y/N Please complete <a href="#">pro forma 4</a> .	All transport bids <b>from the Northern Ireland Executive (NIE)</b> , must have the support of the relevant local council(s). We will be checking that evidence of support has been provided. Please complete <a href="#">pro forma 4</a> . If No, the bid is not eligible. N/A

<b>Any bid with a transport element</b>	
<b>For bids in Northern Ireland with a transport element, which are not from the Northern Ireland Executive (NIE), do you have the support of both the NIE and the relevant local council(s)?</b> Y/N Please complete <a href="#">pro forma 4</a> .	All bids with a transport element in <b>Northern Ireland, which are not from the Northern Ireland Executive</b> must have the support of the relevant local councils (if the applicant is not the relevant local council) and the Northern Ireland Executive. We will be checking that evidence of support has been provided. Please complete <a href="#">pro forma 4</a> . If No, the bid is not eligible. N/A

<p><b>For bids in England, Scotland, and/or Wales</b>, where you (the applicant) do not have statutory responsibility to deliver all of the transport elements of your bid, please confirm that you have the support of all the authorities with the relevant statutory responsibility before proceeding.</p> <p>Y/N</p> <p>Please note that this also a requirement for all bids using a transport allowance.</p> <p>Please complete <a href="#">pro forma 1</a>.</p>	<p>It is a requirement that large transport bids have the support of the relevant statutory authorities for transport. Please note that this also a requirement for all bids using a transport allowance.</p> <p>We will check that evidence of support has been provided. Please complete <a href="#">pro forma 1</a>.</p> <p>If No, the bid is not eligible.</p> <p>N/A</p>
<p><b>1.1 Gateway Criteria for all bids.</b> Please tick the box to confirm that some LUF grant funding will be defrayed in the 2022/23 financial year.</p> <p>Eligible expenditure in 2022-23 could include capital development costs.</p>	<p>Please ensure that you have completed in full the relevant <a href="#">Costings and Planning workbook</a>.</p> <p>Single bids should complete the <a href="#">Costings and Planning Workbook (Single Bids)</a>.</p> <p>Package bids should complete the <a href="#">Costings and Planning Workbook (Package Bids)</a>.</p> <p>The funding profile tab should clearly show some LUF grant defrayed within the required timeframe.</p> <p>It should be evident that LUF grant is being used towards project costs that</p>
	<p>have been paid in the 2022/23 financial year.</p> <p>Please note that project costs in 2022-23 could include capital development costs.</p> <p>If this Gateway Criteria is not met then the bid will not proceed to assessment.</p>

<p><b>1.2 Gateway Criteria for single and joint bids where the lead applicant and any partner organisations are higher education / university, private and/or third sector organisations in Northern Ireland bids only.</b></p> <p>Please confirm that you have attached audited financial statements covering the last three financial years (or audited annual accounts for registered charities).</p> <p>For the applicant (if applicable) Y/N</p> <p>For partner organisation(s) (if applicable) Y/N</p>	<p>This Gateway Criteria applies to single and joint bids where the lead applicant is a higher education / university, private and/or third sector organisations and for joint bids where both the lead applicant and any partner organisation(s) are a higher education / university, private and/or third sector organisation.</p> <p>Audited financial statements covering the last three financial years (or audited annual accounts for registered charities) must be provided for all non-public sector applicants and non-public sector partner organisations in joint bids (where the lead is also a non-public sector organisation).</p> <p>If the audited financial statements / annual accounts are not provided the bid will fail this Gateway Criteria and will not proceed to assessment.</p> <p>N/A</p>
<p><b>1.2.1 Gateway Criteria for single and joint bids where the applicant and partner organisations are higher education / university, private and third sector organisations in Northern Ireland bids only.</b></p> <p>Please provide evidence demonstrating that your organisation (as the applicant) and/or your partner organisations (for joint bids) has experience of delivering two capital projects of similar size and scale in the last five years.</p> <p>For the applicant (if applicable)</p>	<p>This Gateway Criteria applies to single and joint bids where the applicant is a higher education / university, private or third sector organisation and for joint bids where both the applicant and the partner organisation is a higher education / university, private or third sector organisation.</p> <p>For joint bids all non-public sector lead applicants and non-public sector partner organisations (where the lead is also non-public sector organisation) must provide details to demonstrate that they have successfully delivered two capital projects of a similar size and scale in the last five years.</p>



<p>For the partner organisation(s) (if applicable)</p> <p>Partner organisation evidence should be copied from <a href="#">pro forma 3</a>.</p>	<p>Supporting evidence could include case studies or promotional materials. All non-public sector applicants / partner organisations should demonstrate their experience in procurement, risk management and timely deliverability.</p> <p>If this gateway criteria is not met the bid will not proceed to assessment.</p> <p>N/A</p>
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## Applicant Details

<p><b>Legal name of lead applicant organisation:</b></p> <p><b>Bid Manager</b> <i>Officer with day-today responsibility for delivering the proposed scheme and nominated contact for the bid.</i></p> <p>Name: Position: Contact telephone number: Email address: Postal address:</p> <p><b>Senior Responsible Officer contact details:</b> Name: Position: Contact telephone number: Email address:</p> <p><b>Chief Finance Officer contact details:</b> Name: Contact telephone number: Email address:</p>	<p>Please confirm the legal name of the lead applicant and complete contact details as requested.</p> <p>A postal address is only required for the bid manager.</p> <p><b>Bid Manager:</b> Louise Anderson Head of Place Development and Investment, Redcar &amp; Cleveland Borough Council <a href="mailto:Louise.anderson2@redcar-cleveland.gov.uk">Louise.anderson2@redcar-cleveland.gov.uk</a> 07879 117089 Redcar &amp; Cleveland House Kirkleatham Street Redcar Yorkshire TS10 1YA</p> <p><b>Senior Responsible Officer:</b> Andrew Carter Assistant Director - Growth &amp; Enterprise, Redcar &amp; Cleveland Borough Council 01642 771148 <a href="mailto:Andrew.carter@redcar-cleveland.gov.uk">Andrew.carter@redcar-cleveland.gov.uk</a></p> <p><b>Chief Finance Officer:</b> Phil Winstanley Assistant Director Finance (Section 151 Officer), Redcar &amp; Cleveland Borough Council 01642 771135</p>
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<p><b>Local Authority leader contact details:</b>  Name:  Position:  Contact telephone number:  Email address:</p>	<p><a href="mailto:Philip.winstanley@redcar-cleveland.gov.uk">Philip.winstanley@redcar-cleveland.gov.uk</a></p> <p>Councillor Mary Lanigan  Redcar and Cleveland Borough Council  Leader  01642 444094  <a href="mailto:Mary.lanigan@redcar-cleveland.gov.uk">Mary.lanigan@redcar-cleveland.gov.uk</a></p>
<p>Please provide the name of any consultancy companies involved in the preparation of the bid:</p>	<p>Please provide the name of any consultancy companies involved in the preparation of the bid.</p> <p>Lead bid development:</p> <p>Cushman and Wakefield (property and economic development consultants)  SYSTRA (transport consultants)  Gillespies (landscape architects)</p> <p>Individual project development support:</p> <p>Identity Consult (cost consultants, employer's agent and PM)  SPACE (architects)  SUM (cost consultants)  WSP (transport consultants)  GT3 Architects (architects)  Wilmott Dixon (contractor)  Capita (transport consultants)</p>
<p>Where is your bid being delivered?  England, Scotland, Wales or Northern Ireland.</p>	<p>Please confirm where the bid is being delivered by ticking the box.</p> <p>England</p>
<p><b>For Northern Ireland only</b>, please confirm lead applicant type;</p> <p>Northern Ireland Executive  Third Sector  Public Sector Body  Private Sector  Local Council  Higher Education/University  Other (please state)</p>	<p>Please confirm your organisation type.</p> <p>Other must be specified.</p> <p>N/A</p>

<p><b>For Northern Ireland only.</b> If third sector, private sector, higher education/university or other please provide charity and/or company registration number.</p> <p>Charity number:</p> <p>Company number:</p>	<p>If third sector, private sector, higher education/university or other please provide charity and/or company registration number.</p> <p>We will check your accounts/financial statements against this number to confirm that we have the correct paperwork.</p> <p>N/A</p>
<p><b>For all bids.</b> If VAT is applicable to your organisation please provide VAT number:</p>	<p>Please provide VAT number if applicable.</p> <div style="border: 1px solid black; width: 150px; height: 20px; background-color: black; margin: 5px auto;"></div>

**Part 2 - Subsidy control and State aid analysis**

If the Levelling Up Fund is used to provide a subsidy, expenditure must be compliant with the UK’s obligations on subsidy control. All bids that have the potential to be a subsidy must consider how they will deliver in line with subsidy control principles (or State aid for aid in scope for **Northern Ireland only**) as per [UK Government guidance](#).

All applicants must establish if the direct award of LUF funds could constitute a subsidy. It is vital that all applicants complete this section of the application form. **Where applicants do not adequately demonstrate that the LUF award is compliant under the UK Subsidy Control Regime or State aid rules then the project could be considered ineligible and the application may be rejected.**

**2.1.** All applicants must establish if the direct of award of LUF funds from UK Government to you (as the applicant) could constitute a subsidy.

Applicants must consider whether any of the planned activities meet each of the four key characteristics which indicate if it would be considered a subsidy.

**If any of the four responses is a 'No' then the award is not considered to be a subsidy.**

<p><b>2.1.1</b> 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?</p>	<p>Works to improve public transport routes – Yes. Demolition and site preparation at Eston Pool and Eston Precinct – Yes. Construction of new shopping centre and swimming pool – Yes.</p> <p>Please also see DWF's advice set out at Appendix 1</p>
<p><b>2.1.2</b> Does the support measure confer an economic advantage on one or more economic actors?</p>	<p>Works to improve public transport routes – No (public realm and public infrastructure).</p> <p>Demolition and site preparation at Eston Pool and Eston Precinct – No (alignment with German Land Development Scheme State aid persuasive authority).</p> <p>Construction of new shopping centre and swimming pool – Yes (subsidy to the Council's development arm).</p> <p>Please also see DWF's advice set out at Appendix 1.</p>
<p><b>2.1.3</b> 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?</p>	<p>Yes (all interventions). Please also see DWF's advice set out at Appendix 1.</p>
<p><b>2.1.4</b> Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?</p>	<p>Works to improve public transport routes – No (public realm and public infrastructure).</p> <p>Demolition and site preparation at Eston Pool and Eston Precinct – No (alignment with German Land Development Scheme State aid persuasive authority).</p> <p>Construction of new shopping centre and swimming pool – Yes.</p>

	<p>Please also see DWF's advice set out at Appendix 1.</p>
<p><b>2.1.5</b> Did you respond 'Yes' to all the above? If so, the planned activities meet all four key characteristics which indicates it would be considered a subsidy.</p>	<p>Works to improve public transport routes – No.  Demolition and site preparation at Eston Pool and Eston Precinct – No.  Construction of new shopping centre and swimming pool – Yes.  Please also see DWF's advice set out at Appendix 1.</p>
<p><b>2.2</b> Please demonstrate how the direct award of LUF monies from UK Government to you (as the applicant) has been considered under each of the subsidy principles.</p> <p>This will involve consideration of the how the subsidy can be provided in accordance with the following Subsidy Control principles listed in the Subsidy Control Bill:</p> <p>If the proposed LUF activities do represent a subsidy and all principles have been met, the LUF application will be considered compliant.</p> <p>Please separate your response where there are multiple awards of subsidy.</p>	
<p><b>2.2.1</b> Subsidies should pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective")</p>	
<p>Please demonstrate how your bid meets this principle.</p>	<p>In respect of the Council delivering the new shopping centre and swimming pool, short answers are given below and further reference is made to detailed advice from DWF Law LLP set out at Appendix 1.</p> <p>The overall purpose of the subsidy (which is being awarded to the Council's development arm to construct the swimming pool and shopping centre) is to change the character of Redcar by providing a focal point for new visitors and members of the community to congregate, thereby building pride in place whilst also improving the economy. This will be</p>

	done via specific programmes of investment in each case to deliver an improved retail and leisure offering
<p>2.2.2 Subsidies should be proportionate and limited to what is necessary to achieve the objective</p> <p>Please demonstrate how your bid meets this principle.</p>	<p>Further work will be done to verify that the subsidy in each case will be limited to that which is necessary to deliver the objective.</p> <p>Our headline expectation would be that, in both situations, there is likely to be a significant viability gap that the subsidy would address.</p> <p>See Appendix 1.</p>
<p>2.2.3 Subsidies should be designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided.</p> <p>Please demonstrate how your bid meets this principle.</p>	<p>The behaviour changing impact of the award is linked to addressing the viability gap which is preventing the project from proceeding.</p> <p>The Council understands that in the absence of public support, the proposed investments cannot happen as there is no finance to pay for them and there is little to no prospect of borrowing to finance them.</p> <p>See Appendix 1</p>
<p>2.2.4 Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.</p> <p>Please demonstrate how your bid meets this principle.</p>	<p>There is no legal commitment to proceed with the project at this time and no works on the project have started.</p> <p>See Appendix 1.</p>
<p>2.2.5 Subsidies should be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.</p> <p>Please demonstrate how your bid meets this principle.</p>	<p>The Council has been considering options for facilitating delivery of the shopping centre and swimming pool for a long time and cannot determine an alternative way to construct them that would still be able to deliver the intended results (ie. the objective) absent the proposed subsidy.</p> <p>See Appendix 1</p>
<p>2.2.6 Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom.</p> <p>Please demonstrate how your bid meets this principle.</p>	<p>The Council's preliminary studies support that the proposed works will have a limited negative effect on competition and the Council actually expects the intervention will be a catalyst for future investment and not the other way around. The Council will nevertheless study this further to confirm this prior to award</p> <p>See Appendix 1</p>

<p>2.2.7 Subsidies' positive contributions to achieving the objective should outweigh any negative effects, in particular the negative effects on trade or investment between the Parties.</p> <p>Please demonstrate how your bid meets this principle.</p>	<p>As above, the negative effects on competition of the project are considered negligible and easily outweighed by the positives of achieving the objective and the uplift this will give. To be confirmed again once further studies of negative effects on competition (if any) are completed as per 2.2.6 above See Appendix 1.</p>
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<p><b>2.3 All non-public sector applicants delivering in Northern Ireland.</b> If the award of funds is or isn't considered to be a subsidy please set out in detail how you will deliver the funds compliantly under the subsidy regime.</p> <p>If you are proposing to allocate some of the grant funds to third parties, such as project partners working with you to deliver the project, (e.g. sub-granting) please identify how you will ensure disbursement of the grant is done so in accordance with the UK subsidy control regime.</p> <p>The department will need to assess how funds will be awarded and how risk is managed.</p>	<p>N/A</p>
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<p><b>2.3.1 All non-public sector applicants delivering in Northern Ireland.</b></p> <p>Confirm that you have obtained and uploaded independent legal advice that is aligned to your response in this section and verifies that the award of funds is considered to be UK subsidy control regime and/or State aid compliant. Y/N</p>	<p>N/A</p>
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<p><b>2.4 Public authorities only.</b> Please confirm if you will be disbursing the funds as a potential subsidy to third parties.</p>	<p>Yes</p>
<p><b>2.5 Public authorities only.</b> Confirm that you have completed <a href="#">pro forma 5</a> statement of compliance signed by your Chief Finance Officer.</p> <p>Y/N</p>	<p>Yes</p>

	<p><b>This is a requirement and if it is not met the application will not proceed to assessment.</b></p>
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<p><b>2.6. Public and private sector applicants for delivery in Northern Ireland only.</b> Is the direct award of funds from UK Government to you (as the applicant) considered to be as State aid under the four EU State aid rule tests?</p>	
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<p>2.6.1 Is the support granted by the state or through state resources?</p>	<p>Y/N response required.</p> <p>N/A</p>
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<p>2.6.2 Does the support confer a selective advantage to an undertaking?</p>	<p>Please confirm if the award will confer a selective advantage and provide details setting out why this is or isn't the case.</p> <p>N/A</p>
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<p>2.6.3 Does the support distort or have the potential to distort competition?</p>	<p>Please confirm if the award will distort or have the potential to distort competition and provide details setting out why this is or isn't the case.</p> <p>N/A</p>
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<p>2.6.4 Does the support affect trade between EU member states?</p>	<p>Please confirm if the award will affect trade between EU member states and provide details setting out why this is or isn't the case.</p> <p>N/A</p>
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<p>2.6.5 Do the planned activities meet all four key State aid tests?</p> <p>If all four tests are met then the award constitutes State aid and <b>must</b> comply with the State aid law.</p>	<p>If <b>YES</b> go to question 2.7</p> <p>If <b>NO</b> end.</p> <p>N/A</p>
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<p>2.7 For <b>private sector applicants</b>, what is the size of the enterprise applying for funding?</p> <p>Refer to the official <a href="#">SME definition</a>.</p>	<p>Applicants should refer to <a href="#">the SME definitions document</a> prior to confirming the response to this question. The options for sizes of enterprises are:</p> <ul style="list-style-type: none"> <li>• Micro</li> <li>• Small</li> <li>• Medium</li> <li>• Large</li> </ul> <p>Definition will depend on a number of factors including staff numbers, annual turnover and type of enterprise.</p> <p>N/A</p>
<p>2.8 Please list all the organisations (if known) which may benefit from the funding of the project and any economic benefit they may receive as a result of the funding.</p>	<p>Please list all the organisations who may benefit from the funding and set out what economic benefit they are set to receive.</p> <p>A beneficiary is an entity who derives advantage from something, in this instance LUF funding.</p> <p>N/A</p>

2.9 Applicants must consider whether the award meets all the tests for each beneficiary.

If beneficiaries are considered to be in receipt of State aid then you must consider how this is compliant under the State aid rules.

Applicants may wish to refer to the European Commission’s [“Notion of State aid”](#) guidance.

Beneficiary name	Is the support granted by the state or through state resources?	Does the support confer a selective advantage to an undertaking?	Does the support distort or have the potential to distort competition?	Does the support affect trade between member states?	Is the award considered State aid?
					Y/N
					Y/N
					Y/N
					Y/N

N/A

<p>2.9.1 Where a project is funded under an exemption based on the General Block Exemption Regulations (651/2014), the Applicant is required to either</p> <ol style="list-style-type: none"> <li>a) confirm that the project falls within the scope of Regulation 6(5) or</li> <li>b) submit a separate document to demonstrate incentive effect in line with Regulation 6(2) containing the following information: <ol style="list-style-type: none"> <li>I. the applicant undertaking's name and size</li> <li>II. a brief description of the project, including start and end dates</li> <li>III. the location of the project</li> <li>IV. a full list of the project costs used to determine the allowable level of funding</li> <li>V. the form of the aid</li> <li>VI. the amount of public money needed for the project.</li> </ol> </li> </ol>	
<p>2.9.2 Do you confirm that the project falls within the scope of Regulation 6(5) under the General Block Exemption Regulations (651/2014)</p>	<p><b>Y/N response required.</b></p> <p>N/A</p>
<p>2.9.3 If no, confirm that you have attached document containing the required information.</p>	<p><b>If the direct award of funds from UK Government is considered to be State aid under the four EU State aid rule tests and is funded under an exemption based on the General Block Exemption Regulations (651/2014), and does not fall within the scope of Regulation 6(5), you will be required to attach a document to demonstrate incentive effect in line with Regulation 6(2).</b></p> <p>N/A</p>
	<p><b>This is a requirement and if it is not met the application will not pass to assessment.</b></p> <p><b>N/A</b></p>
<p>2.9.4 If you intend to use an exemption(s) under GBER to deliver the project, please confirm you have read the terms of the scheme and meet all the relevant terms.</p>	<p><b>Y/N response required.</b></p> <p>N/A</p>

<p>2.9.5 Identify the GBER provision, the title of the scheme and the amount of LUF award to be delivered under the provision.</p> <p>Describe how you meet all the relevant terms of the exemption.</p>	<p>Please confirm the General Block Exemption provision and title of the scheme you are proposing to deliver the project activities under.</p> <p>Each GBER details specific requirements and terms for their use. Applicants should provide details here demonstrating how they meet the specific terms of the selected GBER provision.</p> <p>N/A</p>
<p>2.10 As the bidding organisation are you subject to an outstanding recovery order in respect of State Aid? If 'Yes', provide brief details.</p>	<p>Y/N response required.</p> <p>If YES applicants need to provide brief details of the outstanding recovery order.</p> <p>If NO go to next question.</p> <p>N/A</p>
<p>2.11 Describe the system in place for collecting and recording the required information for State aid audits and returns.</p>	<p>Each GBER details specific requirements and terms for their use. Applicants should set out here what systems they intend to put in place to ensure all the relevant data and evidence is retained that will demonstrate the requirements and terms have been met.</p> <p>N/A</p>
<p><b>2.12 All non-public sector applicants delivering in Northern Ireland.</b> Confirm that you have obtained and uploaded independent legal advice that is aligned to your response in this section and verifies that the award of funds considered to be State aid compliant.</p>	<p>All non-public sector applicants delivering in Northern Ireland should obtain independent legal advice.</p> <p>All local authorities in the UK are obliged under public law to award public monies in compliantly. The reason we are asking for this of non-public bodies is to give the department assurance that the delivery is compliant under the State aid obligations.</p>

	<p><b>This is a requirement and if it is not met the application will not pass to assessment.</b></p> <p>N/A</p>
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### Part 3 - Bid summary

In this section applicants should provide the core details of their bids; clarifying what, where, how and how much. If your bid is a package bid you should also complete Application Form [Annexes A – C](#) .

To note, word counts are included for several questions throughout the application form, these are provided as a guide only. The level of detail you provide should be proportionate to the amount of funding that you are requesting.

<p><b>3.1 Bid Name:</b></p>	<p>Please provide a headline project name. All bids will be allocated a specific LUF bid number on submission. This bid number and the name specified here will then be used to refer to the bid in all future correspondence.</p> <p>Levelling Up Greater Eston - Redcar Constituency Levelling Up Fund 2 Bid</p>
<p><b>3.2 Please provide a short description of your bid, including the visible infrastructure that will be delivered/upgrade d and the benefits that will be felt in the area.</b></p> <p>(100 words maximum)</p>	<p>A short description should be provided to summarise the project, its outcomes and benefits. This may be used in communications so should give a clear and concise snapshot that could be understood by someone unfamiliar with the bid.</p> <p>This LUF bid comprises a package of three separate but strategically and economically interlinked project components:</p> <ol style="list-style-type: none"> <li><b>1. Eston Precinct - Retail and Commercial Regeneration</b> – acquisition and demolition of low quality and approaching life expired retail precinct at Eston High Street and delivery of a new mixed-use retail and leisure scheme to transform the town centre and have catalytic and significant regeneration impact on the wider area.</li> <li><b>2. Eston Leisure Regeneration</b> – direct delivery of a new swimming pool as part of an existing leisure hub including significant upgrades to the adjacent Eston Recreation Ground leisure and amenity facility to meet the leisure and recreation needs of local residents and deliver health and wellbeing benefits in response to identified local challenges.</li> <li><b>3. Eston Sustainable Transport</b> – delivery of a new</li> </ol>

	<p>sustainable active travel route (cycle/ footpath) linking the Teesworks/Teesside Freeport opportunity to the south of the Redcar and Cleveland Borough including spurs to the new Precinct and Leisure schemes above to provide direct sustainable access to these.</p>
<p><b>3.3</b> Please provide a more detailed overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions.</p> <p>(500 words)</p>	<p>This overview should be more detailed than that provided in 3.2. Please provide full details of what activity will take place where, clearly setting out the planned interventions, outputs and benefits. If the activities are being undertaken across multiple locations, the applicant should clearly explain how the activities align with each other and represent a coherent set of interventions.</p> <p>If a package bid, applicants should also clearly explain here how the component projects are aligned with each other and represent a coherent set of interventions.</p> <p>The Redcar 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 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 to unlock the wider Tees Valley levelling up and growth opportunity that exists. The Redcar &amp; Cleveland local authority area is a Priority 1 area for LUF investment, as recognised by DLUHC based on the applied economic metrics.</p> <p>This Levelling Up Fund Bid seeks to capitalise on this opportunity by levelling up Eston, an important service centre and suburb to the south east of Middlesbrough and south west of Redcar. Eston’s existing retail provision and leisure offer is dated, with the existing shopping precinct being built in the 1960s, and now declining and no longer fit for purpose. The interventions proposed within this Levelling Up Fund bid will improve the vitality of Eston’s local centre, provide facilities to enable local people to live healthy and active lifestyles and increase sustainable accessibility and connectivity between Tees Valley’s key economic growth areas (South Bank and Teesworks), thus allowing Eston’s residents to fully benefit from the economic growth opportunities in their local centre and in the wider area.</p> <p>This LUF bid comprises a comprehensive package of three</p>

separate but strategically and economically interlinked project components which require a total £19.979m of LUF funding as below:

1. **Eston Retail and Commercial Regeneration – £7.967m** of LUF funding is sought to transform Eston’s retail core and improve the vitality of the town centre. This includes the acquisition and demolition of no longer fit for purpose and aged retail units at an existing retail precinct on Eston High Street. It is proposed to develop a new high-quality retail and leisure offer on the site to attract new occupiers to Eston, improving the local offer, increasing footfall and local spend; promoting the socio-economic vitality and sustainability of the town centre. This includes new high-quality public realm upgrades around the scheme to promote an uplift in the overall quality of the physical environment in the town centre.
2. **Eston Leisure Regeneration – £7.3m** of LUF investment is sought to deliver following on the Eston Leisure Hub site;
  - Demolition of the Council owned Eston Pool which is a no longer fit for purpose, obsolete facility and has been permanently closed since the first COVID-19 lockdown.
  - Delivery of a new, 6 lane, 25m indoor Swimming Pool on the site of the current pool to provide much improved sports/ health and wellbeing facilities for Eston’s residents which would be adjacent to the existing Eston Leisure Centre and Middlesbrough Football Club Community Centre (a leading exemplary grassroots football facility) as part of a dedicated health, leisure and wellbeing hub.
  - Significant improvements to Eston Recreation Ground (immediately adjacent to the Pool site) to meet the leisure and recreation needs of local residents. The works will provide a much improved skatepark, upgrades to football pitches, new outdoor gym/play equipment, lighting, CCTV, furniture and ecological enhancements.
3. **Eston Sustainable Transport – £4.712m** of LUF funding is sought to enable the delivery of a new sustainable active travel route (cycleway/footpath) linking Teesworks to the south of the Redcar Borough. The project will directly provide 7.2km of new cycleway/footpath linking Teesworks to Nunthorpe. The scheme will utilise existing routes which will be upgraded and the creation of new routes. The route will also provide spurs to the new Eston retail development and Eston Leisure Centre which will be delivered under Projects 1 and 2 of this bid as outlined above, thereby underpinning a sustainable/active travel ‘golden thread’

	<p>throughout the Eston proposals.</p> <p>All three projects present an opportunity to comprehensively improve the socio-economic prospects of the Greater Eston area as a currently underperforming location in significant need of levelling up. They represent a coherent package of interventions which spatially and economically link into to one another with the aim of improving the quality and offer for local communities and people with a distinct focus on leisure, health and wellbeing including offering new opportunities for active travel to and from the Teesworks employment sites.</p>
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<p><b>3.4</b> Please provide a short description of the area where the investment will take place. If complex (i.e. containing multiple locations/reference s) please include a map defining the area with references to any areas where the LUF investment will take place.</p> <p><b>For transport projects</b> include the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.</p> <p>(500 words)</p>	<p>The response should provide a broad description of the area, with further detail given in question 3.5 below.</p> <p>If complex (i.e. containing multiple locations/references) please include a map defining the area with references to any areas where the LUF investment will take place.</p> <p>Please see the appended plan showing the locations of each project and the spatial relationships between them (Appendix 2).</p> <ol style="list-style-type: none"> <li><b>1. Eston Retail and Commercial Regeneration –</b> The Eston Retail and Commercial Regeneration project will be delivered in Eston Town Centre with interventions at the following location: <ul style="list-style-type: none"> <li>• Eston Precinct – High Street, Eston, TS6 9JD</li> </ul> </li> <li><b>2. Eston Leisure Regeneration –</b> The Eston Leisure Regeneration project will be delivered at the following location: <ul style="list-style-type: none"> <li>• Eston Sports Centre and Recreation Ground, Normanby Road, Middlesbrough, TS6 9AE</li> </ul> </li> <li><b>3. Eston Sustainable Transport –</b> the proposed new active travel route is shown on the appended WSP Active Travel Route (route 4) and links to route 5 which is proposed under a separate LUF2 bid in the neighbouring South Middlesbrough and East Cleveland constituency (Appendix 3). Delivered as a complementary package of works, the route will provide a new sustainable active travel route linking Eston to key economic growth areas in the South Bank and Teesworks (see Appendix 2) and also Nunthorpe and Guisborough town centres. The LUF request included as part of this bid will also provide spurs to the new Eston retail development and Eston Leisure Centre which will be delivered under Projects 1 and 2 of this bid (see Appendix 3).</li> </ol>
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<p><b>3.5</b> Please confirm where the investment is taking place (where the funding is being spent, <b>not</b> the applicant location or where the bid beneficiaries are located).</p> <p>If the bid is at a single location please confirm the postcode and grid reference for the location of the investment.</p> <p>If the bid covers multiple locations please provide a GIS file. If this is unavailable please list all the postcodes / coordinates that are relevant to the investment.</p> <p><b>For all bids,</b> please confirm in which constituencies and local authorities the bid is located. Please confirm the % investment in each location.</p>	<p>We need to clearly understand where the funding is being spent.</p> <p>This information will be used to determine the “Characteristics of Place” score and will be used for reporting purposes.</p> <p>If the bid is at a single location please confirm the postcode and grid reference for the location of the investment.</p> <p>If the bid covers multiple locations please provide a GIS file. If this unavailable please list all the postcodes/coordinates that are relevant to the investment.</p> <p>For all bids, please confirm in which constituencies and local authorities the project is located. Please confirm the % investment in each location.</p> <p>See the ARC GIS plan showing the locations of the package of projects in the link below.  <a href="https://www.arcgis.com/apps/View/index.html?appid=b1bbd92c9b0340408e58d70c939d67f0">https://www.arcgis.com/apps/View/index.html?appid=b1bbd92c9b0340408e58d70c939d67f0</a></p> <p>All of the proposed LUF funded interventions are located within the Redcar constituency and Redcar and Cleveland Borough Council local authority area. 100% of the LUF intervention will be located within these.</p>
<p><b>3.6</b> Please confirm the total grant requested from LUF (£).</p>	<p>This should be the total LUF grant value (excluding match funding) requested from round 2 of LUF.</p> <p>This total LUF grant value should align with that presented in the relevant <a href="#">Costings and Planning Workbook</a> – Table B – Funding Profile</p> <p>£19,978,713</p>



<p><b>3.7</b> Please specify the proportion of funding requested for each of the Fund's three investment themes:</p> <p>a) Regeneration and town centre (%)  b) Cultural (%)  c) Transport (%)</p>	<p>This should be the % of LUF grant to be spent in each investment theme.</p> <p>Please ensure the total adds up to 100%.</p> <p>When identifying the percentage of themes within a bid applicants should define this according to costs associated with activity in support of each theme. For example, if 75% of a bid's total value contained costs associated with activity in support of a regeneration output or outcome, with 25% costs associated with activity in support of a cultural output or outcome, it would be defined as being a 75% regeneration and 25% cultural bid.</p> <p>Regeneration and Town Centre – 77% (£15,266,804 of LUF)  Transport – 23% (£4,711,909 of LUF)</p>
<p><b>3.8</b> Please tick one or more sub-categories that are relevant to your investment:</p> <p>Regeneration:  Commercial  Civic  Residential  Other</p> <p>Cultural:  Arts &amp; Culture  Creative Industries  Visitor Economy  Sports and athletics facilities  Heritage buildings and sites  Other</p> <p>Transport:  Active Travel  Buses  Strategic Road  Rail  Aviation  Maritime  Light Rail  EV Infrastructure  Local Road  Other</p>	<p>Please tick one or more sub- categories that best match your bid.</p> <p>If you have ticked 'other' you will be asked to elaborate.</p> <p>Regeneration:</p> <ul style="list-style-type: none"> <li>• Commercial</li> <li>• Civic</li> <li>• Other – leisure centre regeneration</li> </ul> <p>Cultural:</p> <ul style="list-style-type: none"> <li>• Sports and athletics facilities</li> </ul> <p>Transport:</p> <ul style="list-style-type: none"> <li>• Active travel</li> </ul>

<p><b>3.9</b> Please provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome. Where a successful outcome might lead to you no longer requiring the LUF grant please provide details and confirm when might you expect the outcome to be known.</p> <p>(150 words)</p>	<p>Applicants should list any other funding applications they have made for this scheme or variants thereof that may impact the requirement for LUF funding if successful.</p> <p>If applicable, anticipated timeframes should be provided for receiving the outcomes of these applications.</p> <p>Applicants should also specify the amount of funding being applied for from other funds and, if successful, how this will affect the LUF grant sought.</p> <p>There are three elements of co-funding of relevance to this application although only one is pending a final funding decision, with the other two already 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, rather they are all complementary funding sources in addition to LUF to enable comprehensive scheme delivery.</p> <p>The only outstanding match funding decision relates to the full approval of the Tees Valley Combined Authority (TVCA) Indigenous Growth Funding amount of £2m allocated to the Eston Precinct scheme, although this has been provisionally secured subject to a viable scheme with LUF and TVCA full business case approval.</p>
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## Part 4 Strategic Fit

### 4.1 Member of Parliament Endorsement (England, Scotland and Wales ONLY)

<p>4.1.1 Has an MP given formal priority support for this bid? Y/N</p> <p>4.1.2 Please confirm which MP has provided formal priority support: (name)</p> <p>4.1.3 Which constituency does this MP represent?</p> <p>Please also complete <a href="#">pro forma 6</a>.</p>	<p>This section should be completed for bids in England, Scotland, and/or Wales, and should only be used to record MP formal priority support.</p> <p>General MP support, including MSP, MLA and Members of the Senedd support should be recorded in question 4.2.1 below.</p> <p>Yes, formal priority support for this bid has been provided by Jacob Young, MP (Conservative) who represents the Redcar constituency.</p> <p>Please see the appended proforma 6 and appended letter of support (Appendix 4)</p>
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## 4.2 Stakeholder Engagement and Support

Applicants are encouraged to engage with a wide range of local stakeholders and the local community to inform proposals in the bid and to secure buy in.

<p><b>4.2.1</b> Describe what engagement you have undertaken with local relevant stakeholders, including the community (the public, civic society, private sector and local businesses). How has this informed your bid and what support do you have from them?</p> <p>(500 words)</p>	<p>Applicants will be given the opportunity to upload evidence of stakeholder engagement at the time of submission. This should include, if applicable, MLAs in Northern Ireland, MSPs in Scotland and Members of the Senedd in Wales.</p> <p>Applicants should use this section to articulate the methods and strategies used (including innovative virtual methods in light of COVID-19) to engage with stakeholders, as well as detailing how this interaction has influenced the proposal, and how any potentially controversial aspects of the bid will be resolved.</p> <p>Applicants should detail how stakeholders were identified, and what efforts were made to reach those more isolated members of the community, including rural communities, who might not normally engage.</p> <p>Evidence of stakeholder engagement can be provided in various forms including letters of support or minutes of meetings and attached as an annex.</p> <p>Applicants should explain how the engagement activities have informed the development and design of the bid. The range of engagement feedback should be clearly explained and evidenced including reference to any current/ongoing consultations, community forums, etc.</p> <p>Where success of the bid is reliant on the cooperation and support of stakeholders or the local community, the application should clearly explain and evidence this.</p> <p>Whilst there is no pre-defined list, potential relevant local stakeholders and partners may include:</p> <ul style="list-style-type: none"><li>- Elected representatives of Local Government (i.e. Democratic decision-making process of the Local Authority, Cabinet Decisions etc.)</li><li>- Local businesses</li><li>- Local Enterprise Partnerships</li><li>- Public transport providers</li><li>- Police and emergency services</li><li>- Community representatives / groups</li><li>- Government bodies / organisations e.g. Historic England, Arts Council</li><li>- Environmental representatives</li><li>- Public health representatives</li><li>- Universities, and further education colleges</li></ul>
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- Audience, visitors, spectators and participants

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

**Project 1 - Eston Retail and Commercial Regeneration**

The Council appointed property advisors/ agents Avison Young in March 2021 to commence correspondence with all existing freehold owners of the precinct properties to establish their willingness to engage in discussions around disposing of their freehold property interests to the Council. Since then, either verbal or written correspondence has been received with all freehold owners with a provisionally agreed acquisition amount for each agreed. The risk of not being able to acquire the required freehold interest in each is therefore low from this perspective.

The existing tenants of the Eston Precinct have also been consulted and several have expressed a desire to be relocated into the new scheme as part of safeguarding their future business operations in Eston. The Council is seeking to retain suitable retailers in Eston, through relocation to alternative units or within the new scheme. Further consultation with landowners, tenants, the community and other stakeholders will be undertaken as proposals develop.

Jacob Young MP has undertaken engagement regarding the proposals for the scheme with the local community via social media. Feedback received from the local community has been wholly positive and supportive of the proposals. The scheme has also has Cabinet approval to proceed subject to a LUF award with full Member support.

**Project 2 - Eston Leisure Regeneration**

In 2018 Redcar and Cleveland Borough Council undertook a resident's survey which found that sport and leisure facilities were the second most valued service provided by the Council's Adults and Communities Directorate. Residents consulted stated that Eston Pool, in particular, needed significant improvements.

A Facility Effectiveness Appraisal for Eston Pool was also carried out by Sheffield Hallam University in 2015. 350 regular users of Eston Pool were surveyed as part of the study. Overall, users commented that the facility was extremely well valued, despite being dated and worn. Since the pool was closed in 2020, the Council has undertaken significant engagement with Elected Members and they have conducted community dialogue and engagement on social media. Other

	<p>stakeholders engaged include Council health officers and, the local Sport England programme officers. The operator of the currently closed Pool and adjacent Leisure Centre, Everyone Active (who operate all of the Council's leisure assets) have also been an integral part of the discussions and proposals.</p> <p>'You've Got This', a Council-led delivery body that aims to increase physical activity in local communities, undertook significant consultation in relation to the proposals to redevelop and improve Eston Pool and Eston Recreation Ground between 2019 and 2022. Consultations with focus groups of residents from different age groups were undertaken to understand what improvements would encourage them to use the Pool and Recreation ground more frequently. The feedback from the focus groups was wholly positive and supportive of the proposals.</p> <p><b>Project 3 - Eston Sustainable Transport</b></p> <p>The 'You've Got This' consultation work also consulted local resident focus groups regarding the proposals for the delivery of the Sustainable Active Travel Route between Teesworks and Nunthorpe between 2019 and 2022. The local residents consulted were wholly supportive of the proposals.</p> <p>Ongoing formal engagement has also been undertaken with Network Rail regarding the project and feedback received has been positive. A temporary walking and cycle route was put in place during summer 2020 from South Bank Railway Station to Flatts Lane. This initiative was supported by community representatives and locally elected Members.</p>
<p><b>4.2.2</b> Has your proposal faced any opposition? Please provide a brief summary, including any campaigns or particular groups in support or opposition, and if applicable, how will you work with them to resolve any issues. (250 words)</p>	<p>Applicants should summarise any opposition to the bid, its relevance (i.e. impact), and what has/will be done to resolve this and any other concerns raised during stakeholder engagement activities.</p> <p>Applicants should explain if there is any sensitivity in their stakeholder engagement, for example if part of the bid process has not been made public or if the bid requires compulsory purchase of buildings.</p> <p>Please provide reasoning if certain stakeholders could not be engaged with and how any impacts of this have been mitigated.</p> <p>The LUF proposals to redevelop Eston Pool and improve Eston Recreation Ground are uncontentious and are wholly supported by key stakeholders. No aspects of the proposals are controversial or not supported by members of the local community. Significant stakeholder and</p>

	<p>community consultation has been undertaken and all feedback received has been positive and supportive.</p> <p>Similarly, the proposed Teesworks to Nunthorpe Sustainable Active Travel Route is not controversial and no opposition to the proposal has been received.</p> <p>Consultations and negotiations with the property owners and tenants of the existing Eston Precinct scheme are ongoing and the Council is committed to minimising disruption for landlords and tenants as much as possible by considering options for the retention of suitable existing tenants within Eston through relocation to other units or new units, within the proposed development. Discussions to date with landlords and tenants has been wholly positive. The Council will support the relocation of residential tenants where required as it has done so successfully with the recent FHSF scheme elsewhere in the Borough.</p>
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<p><b>4.2.3</b> Do you have statutory responsibility for the delivery of all aspects of the bid?</p> <p>If no:</p> <ul style="list-style-type: none"> <li>- Please confirm those parts of the project for which you do not have statutory responsibility</li> <li>- Please confirm who is the relevant responsible authority</li> <li>- Please confirm that you have the support/consent of the relevant responsible authority</li> </ul>	<p>Applicants that do not have statutory responsibility for the delivery of all aspects of their bid must secure the support/consent of the relevant responsible authority prior to proceeding.</p> <p>All bids with a transport element must supply a <a href="#">pro forma</a> of support from the relevant authority with statutory responsibility for transport unless the applicant has statutory responsibility, in which case the applicant should state N/A.</p> <p><b>For any bids in England, Scotland, and/or Wales</b> where the applicant does not have statutory responsibility to deliver all of the transport elements of their bid, they are required to demonstrate that they have the support of all the authorities with the relevant statutory responsibility before proceeding with their application. Please complete <a href="#">pro forma 1</a>.</p> <p>Rail-related applications would need the support of Network Rail and applications for infrastructure on the Strategic Road Network would need the support of National Highways, for example.</p> <p><b>For any bids in Northern Ireland</b> with transport elements, support from the relevant local council and the Northern Ireland Executive (if non-public sector led bid) is an eligibility requirement. Please complete <a href="#">pro forma 4</a>.</p> <p>Yes.</p>
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### 4.3 The Case for Investment

Applicants should use this section to detail a compelling case for why the proposed investment supports the economic, community and cultural priorities of their local area.

Applicants should upload their completed Theory of Change model that supports this section at the time of submission.

For package bids, an explanation should be provided as to how the component projects are aligned with each other and represent a coherent set of interventions.

<p><b>4.3.1</b> Please provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to.</p> <p>(500 words)</p>	<p>Applicants should provide quantifiable evidence of the local challenges and barriers to growth, and detail how the planned intervention/s will address these.</p> <p>Evidence could include (but is not limited to) data regarding:</p> <ul style="list-style-type: none"><li>- Employment details, income levels, deprivation, skills and educational attainment</li><li>- Vacancy rates and footfall</li><li>- Land and development challenges</li><li>- Transport challenges including poor connectivity to existing assets, congestion and air quality issues</li><li>- Crime and anti-social behaviour</li></ul> <p>Transport applications should consider evidence within the local context with clear identification of sources.</p> <p>This may include:</p> <ul style="list-style-type: none"><li>- Reliability of the network (e.g. cancellation rates, congestion, capacity levels, variability in journey times)</li><li>- Safety data including accident rates.</li><li>- Environmental data including air quality and carbon emissions.</li><li>- Journey satisfaction</li><li>- Time taken to reach specified number of jobs or services</li><li>- Data on mode of travel.</li><li>- Data on number of services, spending and maps showing existing transport network</li></ul> <p>Heritage/Cultural applications should also consider providing some of the following evidence. These should be contextualised within the local context:</p> <ul style="list-style-type: none"><li>- Cultural/creative/community/sports vision.</li><li>- Creative/curated/community sports programme.</li><li>- Range of programmes (e.g. public libraries programmes going beyond culture, such as business support, health and well-being, literacy).</li><li>- Practitioners track record.</li><li>- Level of demand.</li><li>- For heritage/museum collections, how the assets will be maintained/conserved in line with statutory and best practice.</li><li>- Improvements to provision of public spaces and</li></ul>
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community facilities.

- Audience/participant/user engagement benefit – reach/diversity/depth of engagement.
- Audience/participant/user development – including segmentations.
- Current cultural heritage sports offer and provision of community facilities, how they are perceived,
- how well they already inspire community cohesion/pride in and attractiveness of place
- Local levels of engagement/ demand
- Added value that this project would bring (particularly for upgrades).

The Borough of Redcar & Cleveland faces a number of significant economic challenges and barriers to growth. The Borough has seen decades of economic decline in the late 20<sup>th</sup> century and, as result, includes some of the most deprived areas in the UK and suffers from above average unemployment levels and below average earnings. The unemployment rate in Redcar and Cleveland is 5.9%, significantly above the Great Britain unemployment rate of 4.4% (ONS, 2022). The number of workless households in Redcar & Cleveland is also significantly higher than the national average, at 21% compared with 13.6% nationally (ONS, 2022). Average wages for those in work are also below the national average in Redcar & Cleveland at an average full time gross weekly pay of £512.50, compared with the national average of £613.10.

There are also significant areas of deprivation in the Borough. The Lower Super Output Area (LSOA) which includes Eston Precinct is within the top 20% most deprived LSOAs nationally, and within the top 10% most deprived LSOAs in terms of health deprivation and income deprivation affecting children. Crime incidents are also a local challenge - in April 2022, there were 149 crimes reported within 0.5 miles of Eston High Street, one third of which related to anti-social behaviour and criminal damage.

Land and property values in the Borough and in Eston 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 Redcar and Greater Eston are also levelled up to maximise that growth and prevent significant economic disparity within the area developing. At present, the infrastructure in Redcar and Cleveland is not sufficient to enable more remote towns and suburbs, such as Eston, to benefit from the economic opportunities available in the wider area. Moreover, it is essential that Eston is invested in and levelled up to prevent further decline of an important local centre and ensure local residents have access to local retail, leisure and health and wellbeing related services.

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

### **Project 1 - Eston Retail and Commercial Regeneration**

Eston currently faces a number of significant economic challenges and barriers to growth. In recent years, retail voids on Eston's High Street have increased and the existing Eston Precinct provides a dated and unattractive retail environment which is at risk of becoming obsolete in the medium term. Although the existing Eston Precinct is reasonably well occupied at present, many of the existing leases are nearing expiry and there is a significant risk of increased voids as occupiers could relocate to other cheaper, vacant units in Eston or go out of business. The Precinct acts as the retail hub at the heart of Eston and ensuring its long-term vitality and sustainability is key to the economic vitality of Eston and to the provision of providing a local service and amenity offer for the local population and growing employment base linked to Teesworks.

The proposed Eston Precinct redevelopment will have a

transformative impact on Eston's local centre. Provision of high-quality retail and leisure floorspace and surrounding public realm works will attract new retailers to Eston. The new development will also attract leisure/ F&B operators to the centre to diversify Eston's town centre offer to promote a vibrant and sustainable offer. This will help to ensure the long-term sustainability and viability of Eston's High Street, prevent continued decline and level up a more deprived and neglected centre within the Borough.

### **Project 2 - Eston Leisure Regeneration**

The Redcar and Cleveland economy suffers from significant health inequalities which act as a barrier to growth. Life expectancy at birth at Redcar and Cleveland is nearly two years less than the England average for both men and women. 30.1% of reception-age children in Redcar and Cleveland are overweight or obese, compared to 23% across England. Similarly, 71.9% of the adult population of Redcar and Cleveland is overweight or obese, compared to 62.3% nationally. 22.3% of the Borough's population does less than 30 minutes exercise each week and the Borough has higher than average incidence and mortality from cancer, and higher than average emergency hospital admissions (The Health Survey for England 2019).

These issues are particularly prevalent in Eston. The LSOA which includes Eston Pool and Eston Recreation Ground is within the top 10% most deprived LSOAs nationally, and within the top 10% most deprived LSOAs for health deprivation. The closure of the existing Eston Pool in 2020 has exacerbated these challenges by reducing access to local leisure facilities for Eston residents (IMD, 2019). Mental health and wellness problems are also a barrier to growth in the Borough; the suicide rate in Redcar is higher than both the North East and England average (The Health Survey for England 2019).

The Eston Leisure Regeneration project will directly address this barrier to growth by providing a new, high quality swimming pool and improving Eston Recreation Ground to encourage residents to undertake more physical activity and adopt healthier, more active lifestyles.

### **Project 3 - Eston Sustainable Transport**

To enable Eston's residents to maximise the benefits of economic growth at Teesworks and the Freeport, a safe and attractive route to these employment sites is required to enable residents to access employment opportunities safely and sustainably. The lack of a safe and sustainable travel route currently acts as a particular barrier to growth as levels of car ownership in Redcar and Cleveland are significantly below the

national average. The Redcar & Cleveland Local Plan (2018) states that there are a relatively large number of households in the Borough which do not have access to a car and the Borough's population is dispersed over rural and urban areas. As such, provision of a Sustainable Active Travel Route from Teesworks to Nunthorpe, with access to Eston, will enable more residents of remote areas of the Borough to benefit from employment opportunities at Teesworks and the Teesside Freeport and level up more remote and deprived areas of the Borough.

The catchment population for the route is estimated at 16,000 within the parts of Eston, Normanby South Bank and Teesville that are served. These communities are primarily connected north to south by Normanby Road which experiences traffic congestion during peak periods. Major retail, leisure and service destinations are located within the wider corridor including at Eston Leisure Centre and Eston Town Centre. Residents in these areas will live within 3 miles of significant emerging employment opportunities at Teesworks which has national Freeport status with a focus on clean energy and advanced engineering. They also live within 3.5 miles of Middlesbrough Town Centre which will be accessible via connecting cycle routes.

The need for improved short distance sustainable travel is also reflected in the situation at Nunthorpe Academy at the southern end of the route. The school is a strong performing secondary school serving students aged 11 to 18 and draws many students with those in the Normanby area relying on cars and taxis. Students living here will be able to walk or cycle up to around 2 miles to reach the school via the Flatts Lane Country Park. 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). Sustainable connectivity by cycle will be of advantage for travel to work trips to Skippers Lane and Teesworks.

In summary therefore, the new active travel route will:

- Support and increase sustainable journeys to work at Skippers Lane Industrial Estate, Teesworks and either via the Middlesbrough cycle network or train service from South Bank Station, central Teesside.
- Support and increase sustainable journeys to education at schools in the Normanby Road corridor including South Bank Community Primary School and to Nunthorpe Academy at the southern end of the route.
- Support and increase sustainable leisure journeys within the Eston-Normanby-Teesville-South Bank areas and via connections with other routes to destinations such as

	<p>Guisborough.</p> <ul style="list-style-type: none"> <li>• Provide a safer travel route than the current on road provision.</li> </ul>
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<p><b>4.3.2 Explain why Government investment is needed (what is the market failure).</b></p> <p>(600 words)</p>	<p>Applicants should explain what market failure(s) are present and why Government intervention is needed. Market failure occurs where a market is unable to function according to the economic ideas of efficient markets. From a <a href="#">Green Book</a> perspective, which looks beyond simply economic efficiency, this means the market is unable to provide satisfactory levels of welfare efficiency.</p> <p>Examples of market failures include, but are not limited to:</p> <ul style="list-style-type: none"> <li>- Public goods – goods which are not provided by the private sector because they would be unable to supply them for a profit – for example, road infrastructure or place-making activities. A public good is often under-provided in a free market because its characteristics of non-rivalry and non-excludability mean there is an incentive not to pay.</li> <li>- Imperfect information – for some goods or services the availability of information or information processing difficulties may prevent people from making rational decisions. This can be a barrier to economic activity as potential gains from trade could be realised if better information allowed people to provide or consume additional goods and services.</li> <li>- Negative externalities – these occur when an activity imposes costs or produces benefits for economic agents not directly involved in the deal. For example, pollution not covered by regulation may be profitable for a perpetrator but impose real costs on others who are not directly involved in the market.</li> </ul> <p>Where applications involve non-public sector partners, for example through the delivery of commercial property development, the applicant should ensure they clearly justify the need for government intervention and the assumptions underpinning this.</p> <p>Relevant market failures by each project are presented below:</p> <p><b>Project 1 - Eston Retail and Commercial Regeneration</b></p> <p>The requested LUF investment in the Eston Retail and Commercial Regeneration project is required to address a market power-based market failure. The risk profile of the proposed development is too high to attract a private developer to deliver the project on a speculative basis and achievable rental and capital values are not sufficient to offset the capital development cost; presenting a cashflow/ viability challenge to any such developer. As a result, it is</p>
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highly unlikely that a private developer will be sufficiently incentivised to deliver the project from a risk appetite and potential returns perspective, when considered against other investment opportunities.

There is also a lack of information and evidence of firm occupier demand at this stage (which is typically latent in nature). As such the LUF investment will also address an imperfect information market failure as the lack of information regarding occupier demand and likely incomes/revenues is likely to preclude the market from undertaking the development in the absence of a public sector led approach to delivery.

The scheme will also provide a significant area of new high-quality public realm and landscaping which will be available to all users on a non-rivalrous and non-excludable basis. The project will also have wider regeneration benefits for Eston which the wider public will benefit from on a non-rivalrous and non-excludable basis which the market would not factor into any investment decision. As such, the requested LUF investment in the project will also address a public goods based market failure.

## **Project 2 - Eston Leisure Regeneration**

Government investment through LUF is required to address an identified market failure in the form of a quasi-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 Eston Pool and the Eston Recreation Ground improvements, where the end product will be available to the general public on an open and non-discriminatory basis for all to use/access (accepting there will be a nominal charge for users of the pool), is therefore considered an eligible form of quasi-public good. No private investor will be sufficiently incentivised to invest in the Eston Pool and Eston Recreation Ground improvements on this basis, given that these types of amenity facility are not developed for financial returns but instead solely for delivering health and wellbeing benefits to local populations and users. Whilst a pool is not a pure public good as it is difficult to argue it is completely non-

	<p>rivalrous and non-excludable – for example a pool has a limited capacity in terms of the number of users at any one point – it is clear that these types of asset are generally funded and delivered by the public sector on grounds of their quasi-public good attributes.</p> <p><b>Project 3 - Eston Sustainable Transport</b></p> <p>The Teesworks to Nunthorpe Active Travel Route for which LUF funding support is being sought can also be justified on the basis of a public good based market failure. The end product 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 on the basis that the works will benefit all and are non-rivalrous and non-excludable, with no financial incomes/receipt that can be charged to end users to repay the upfront capital investment. Public investment in cycle/footpaths on publicly owned land of this nature can be fully justified on this basis and there is no developer contribution pool available to fund this given prevailing viability challenges associated with commercial/residential developments.</p>
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<p><b>4.3.3</b> Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location.</p>	<p>All applicants should clearly explain what they are proposing to invest in and evidence how the planned interventions will address the identified challenges and barriers.</p> <p>All applicants should set out the different options considered as part of the process of deciding on the intervention chosen and justify why the proposed solution is the preferred option above others. As part of this, applicants should justify why the proposed location of the investment is the preferred option above others.</p> <p>Applicants submitting large transport bids £20 million - £50 million are encouraged to submit an Option Assessment Report (OAR) with reference to page 4 of DfT's Transport Analysis Guidance.</p> <p>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.</p> <p><b>Project 1 - Eston Retail and Commercial Regeneration</b></p> <ul style="list-style-type: none"> <li>• Acquisition of 18 freehold interests that comprise the existing Eston Precinct. The Council has appointed Avison Young as property advisors/ agents to negotiate the acquisition of the property interests [REDACTED]</li> <li>• Demolition of the existing precinct and development of a new build retail and leisure scheme. The proposed new build scheme has</li> </ul>
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**For large transport bids £20M - £50M** applicants should submit an Option Assessment Report (OAR). (750 words)

been designed by Space Architects (Appendix 37) and comprises the following:

- Store – 20,000 sq ft
- Supermarket – 6,000 sq ft
- Gym – 3,000 sq ft
- Retail – 1,000 sq ft
- Car parking (100 spaces)
- Surrounding public realm and landscaping works.

The proposed Eston Precinct redevelopment will address Eston's existing challenges to growth by transforming the local centre of Eston. Provision of high-quality retail/leisure space and surrounding public realm works will increase footfall and dwell time and attract new retailers to Eston and diversify Eston's town centre offer. This will assist to ensure the long-term sustainability and viability of Eston's High Street, prevent continued decline and level up a more deprived and neglected centre within the Borough.

### **Project 2 - Eston Leisure Regeneration**

- Demolition of the existing redundant and permanently closed Eston Pool and development of a new, state of the art pool facility.
- Improvements to Eston Recreation Ground to provide the following:
  - Skate/scooter ribbon
  - Extended BMX track
  - Outdoor gym equipment
  - Improved footpaths, lighting and furniture;
  - Wildlife ponds;
  - New planting and trees.
  - Further detail is shown on the appended plan which has been produced by Gillespies (Appendix 1).

The Eston Leisure Regeneration project will directly address the health inequality barriers to growth that are current being experienced in Eston and the wider Redcar and Cleveland area. By providing a new, high quality swimming pool and improving Eston Recreation Ground, residents will be provided with new opportunities to undertake more physical activity and adopt healthier, more active lifestyles, thereby addressing the current health, obesity and life expectancy issues that are prevalent.

### **Project 3 - Eston Sustainable Transport**

Provision of a new sustainable active travel route from Teesworks to Nunthorpe, with spurs linking to the new Eston Pool and Eston Precinct.

This investment will directly address the currently poor pedestrian and cycle connectivity between Teesworks and Nunthorpe which currently acts as a barrier to growth for more remote and deprived

	<p>areas of the Borough. The lack of a safe and sustainable travel route currently acts as a particular barrier to growth as levels of car ownership in Redcar and Cleveland are significantly below the national average. To enable Eston’s residents to maximise the benefits of economic growth at Teesworks and the Freeport, a safe and attractive route to these employment sites is required to enable residents to access employment opportunities safely and sustainably.</p>
<p><b>4.3.4</b> Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions.</p> <p>This should be demonstrated through a well-evidenced <i>Theory of Change</i>. Further guidance on producing a Theory of Change can be found within <a href="#">HM Treasury’s Magenta Book</a> (page 24, section 2.2.1) and <a href="#">DLUHC appraisal guidance</a>.</p> <p>(500 words)</p>	<p>Applicants should use this section to explain simply and clearly how they will deliver the outputs and confirm how results are likely to flow from the interventions.</p> <p>Applicants may wish to refer to the <a href="#">Technical Note Annex B Intervention Framework</a> which provides an illustrative summary of the outputs and outcomes that may fall within the scope of this fund. Applicants are strongly encouraged to design their bids so that the outputs delivered align with this list where possible – although it is recognised that some novel projects will require their own custom indicators.</p> <p>Applicants are encouraged to submit a Theory of Change. Developing a Theory of Change typically involves considering the proposed inputs (what investment/actions will take place) and the causal chain that leads from these inputs through to the expected outputs and outcomes. It considers the causal mechanisms by which an intervention is expected to achieve its outcomes, basing this theory on the gathering and synthesis of evidence.</p> <p>There are many mapping tools that can be used to help explore how the intervention is expected to work, often described as the ‘programme theory’. These include Theory of Change mapping, logic mapping, log frames, benefits mapping, and system mapping. The most appropriate tool to use will depend on the characteristics of the intervention, the complexity of the system it is applied to, and the type of evaluation that is being planned.</p> <p>Theories of Change can range from simple descriptions to more complex analyses and the level of detail would be proportionate to the size and scope of your bid. More sophisticated exercises produce a more detailed and rigorous assessment of the intervention and its underlying assumptions.</p> <p>A theory of change model is appended to the bid (Appendix 5). The key elements of the model are shown below.</p> <p>The package of projects will be delivered through the requested £19.978m LUF investment, alongside the following match funding sources:</p>



- Eston Retail and Commercial Regeneration - £2,000,000 TVCA Indigenous Growth Fund
- Eston Leisure Regeneration - £2,000,000 Redcar & Cleveland Borough Council Funding
- Eston Sustainable Transport Accessibility - £745,000 Sustrans 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:

- Eston Retail and Commercial Regeneration –
  - Acquisition of 18 freehold interests that comprise the existing Eston Precinct. The Council has appointed Avison Young as property advisors/ agents to negotiate the acquisitions [REDACTED]
  - Demolition of the existing precinct and development of a new build retail and leisure facility.
- Eston Leisure Regeneration –
  - Demolition of the existing Eston Leisure Centre and development of a new Eston Pool.
  - Improvements to Eston Recreation Ground
- Eston Sustainable Transport Accessibility –
  - Development of a new sustainable active travel route from Teesworks to Nunthorpe, with spurs linking to the new Eston Pool and Eston Precinct.

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

- Eston Retail and Commercial Regeneration –
  - Delivery of 2,787 sqm (30,000 sq ft) new retail/ leisure floorspace.
  - Delivery of public realm/ landscaping around the new retail centre.
- Eston Leisure Regeneration –
  - Delivery of the new 25m, 6 lane Eston Pool.
  - Delivery of significant improvements to the Eston Recreation Ground to enhance it as a key leisure and amenity asset.
- Eston Sustainable Transport Accessibility –
  - Delivery of a new sustainable active travel route from

Teesworks to Nunthorpe, with spurs linking to the new  
Eston Pool and Eston Precinct.

In the short term, the new delivery of new, higher quality retail and leisure space will attract new occupiers to Eston and diversify Eston's retail and leisure offer. This will result in increased footfall and dwell time, reduced retail voids and an uplift in land/property values. The delivery of the new Eston Pool and improvements to Eston Recreation Ground will provide more opportunities for local residents to live active and healthy lifestyles, providing health and wellbeing benefits to local residents. Similarly, the Teesworks to Nunthorpe Active Travel Route will encourage modal shifts, improve pedestrian safety and reduce the potential for pedestrian/road traffic accidents and could have immediate benefits for the health of the local population both in terms increased activity levels and reduced obesity levels.

In the medium term the Eston Retail Regeneration project will revitalise Eston's retail and leisure offer. This will result in sustained footfall improvements, reduced retail voids and support the longer-term sustainability of Eston as a retail centre. The new Eston Pool and Recreation Ground improvements will have ongoing health and wellbeing benefits for residents, leading to improved health outcomes and reduced obesity levels in the local population in the medium term. The Teesworks to Nunthorpe Active Travel Route will lead to increased walking a cycling between Teesworks, Eston and Nunthorpe and make Eston 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. This will also increase access to employment opportunities at Teesworks/ Teesport for Eston and Nunthorpe residents as these developments come forward.

Eston Town Centre will become a thriving retail centre with a higher quality, diverse retail and leisure offer and sustainable high street. Pedestrian connectivity between Eston, Nunthorpe and employment growth areas at Teesworks and the Teeside Freeport will be improved and the town will serve as an attractive and well-connected base for local residents. The delivery of a new Eston Pool and improvements to Eston Recreation Ground will provide residents with more opportunities to live healthy and active lifestyles and improve overall health outcomes for local residents.

<p><b>4.3.5 For package bids</b> you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions.</p> <p>(250 words)</p>	<p>Where applicants are submitting a package bid they should explain how all the component projects work together. For example, a transport intervention and associated place-making intervention may together support greater footfall and access to a local high street. Package bids <b>should not</b> include multiple unrelated investments.</p> <p>The component projects of the bid are complementary and form a comprehensive package of improvements/ works which will support and catalyse the economic growth of the Redcar economy.</p> <p>The Eston Retail Regeneration project will revitalise a currently declining retail centre in a deprived part of the Borough. The delivery of high-quality retail and leisure floorspace will improve and diversify Eston’s retail offer, prevent voids from increasing and ensure the longer term sustainability of Eston High Street. This will be complemented by the delivery of a new Eston Pool and improvements to Eston Recreation Ground. The new facilities will provide local residents with high quality, easily accessible health and leisure facilities to promote active and healthy lifestyles.</p> <p>The Teesworks to Nunthorpe Active Travel Route and Eston spurs will also directly link the regenerated areas of Eston to key economic growth areas within the Borough. The route will open up employment opportunities at Teesworks and the Teeside Freeport to Eston residents who may otherwise not be able to access them due to connectivity and transport barriers. When delivered together, this package of investment will have a transformative regeneration impact upon Eston itself and provide connectivity to allow Eston residents to benefit from the economic growth being realised in other part of the Borough. Therefore, the comprehensive package of projects will deliver true levelling up to a deprived area of Redcar and Cleveland,</p>
<p><b>4.3.6</b> Applicants should also briefly set out how other public and private funding will be leveraged as part of the intervention.</p> <p><b>(500 words)</b></p>	<p>Please set out how other public and private funding will be leveraged as part of the intervention</p> <p>The package of projects will be delivered through the requested £19.978m LUF investment, alongside the following public sector funding which will be leveraged as part of the intervention.</p> <ul style="list-style-type: none"> <li>• Eston Retail and Commercial Regeneration - £2,000,000 TVCA Indigenous Growth Fund</li> <li>• Eston Leisure Regeneration - £2,000,000 Redcar &amp; Cleveland Borough Council Funding</li> <li>• Eston Sustainable Transport Accessibility - £745,000 Sustrans Match Funding</li> </ul> <p>All of the match funding sources identified are confirmed and all relevant approvals are in place to enable this match funding to be leveraged, subject to the receipt of the requested Levelling Up Fund investment. Evidence of match funding availability is</p>

	appended to this bid (Appendix 6).
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**4.4. Alignment with the local and national context**

In this section, applicants should clearly articulate their alignment with any relevant local and national strategies and objectives concerning investment, infrastructure and levelling up. Applicants should explicitly state how the bid will substantially support the delivery of local and national policy objectives.

<p><b>4.4.1</b> Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, Local Economic Strategies, Local Cultural Strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up.</p>	<p>All bids including those with a regeneration element should explain how the bid aligns to and supports the delivery of relevant local strategies (such as local plans, local economic strategies, local cultural strategies or local transport plans) and local objectives for investment, improving infrastructure, local economic development and levelling up.</p> <p>Bids with any transport element should, in addition, outline the specific local transport context and clearly explain how they support existing transport strategies and commitments in their area and nationally.</p> <p>Similarly, bids with a culture and heritage element should align and support local (cultural, heritage, sports, community hub) strategies. This should include a rationale for the strategies it supports, explaining the current cultural/ heritage/ sports/ community facility offer and engagement, and how the strategies link into the place’s broader growth and development strategies.</p> <p>For bids within Scotland, Wales and Northern Ireland, applicants should additionally make clear links to the relevant strategies from the Devolved Administrations.</p>
<p><b>For Northern Ireland, Scotland and Wales bids:</b> In addition, explain how your bid aligns to the strategic plans and objectives of devolved administrations . <b>(500 words)</b></p>	<p>The <b>Redcar and Cleveland Local Plan (2018)</b> recognises the importance of Eston as a local centre in the Borough, serving the retail, local services and employment needs of local residents. Local Plan Policy LS1 Local Plan recognises the importance of safeguarding and supporting improvements to Eston District Centre 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 and the dispersed population over rural and urban areas. The proposals therefore fully align with the Redcar and Cleveland Local Plan.</p> <p>The proposals fully align with the <b>Tees Valley Strategic Economic Plan 2016-26</b>. The Tees Valley SEP outlines an ambition to rejuvenate the Tees Valley’s town centres and improve sustainable connectivity and accessibility within the Tees Valley. The Eston Leisure Regeneration projects also fully align with the Tees Valley</p>

	<p>SEP. The Tees Valley SEP states that; <i>'perceptions of place influence how residents, particularly young people, feel about their future prospects. Culture, leisure, sport and voluntary activities all contribute to creating the environment which supports the economic ambitions set out in this Plan.'</i> Furthermore, the SEP recognises that leisure has <i>'an important role to play in shaping the quality of the Tees Valley proposition and making it an attractive place to live, work and visit.'</i> As outlined above, Redcar and Cleveland faces significant health challenges, and the Eston Pool and Recreation ground investments will prioritise the health of young people so they can live more active, healthier and longer lives.</p> <p>The Sustainable Active Travel Route proposed also fully aligns with the <b>Tees Valley Strategic Transport Plan 2020-2030</b>. The plan outlines an ambition to <i>'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'</i>. The proposed Teesworks to Nunthorpe Active Transport Route fully aligns with this ambition and the wider transport plan.</p>
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<p><b>4.4.2</b> Explain how the bid aligns to and supports the UK Government policy objectives.</p> <p><b>For Northern Ireland, Scotland and Wales:</b> In addition, explain how your bid aligns to any specific policy objectives, legal and statutory commitments relevant to the devolved administrations.</p> <p>(500 words)</p>	<p>Applicants should explain how the bid aligns with UK Government policy objectives, including the missions set out in the Levelling Up White Paper, and legal and statutory commitments, such as the Clean Growth Strategy, Clean Air Strategy and the target to achieve Net Zero carbon emissions for 2050.</p> <p>Bids should be aligned to and support Net Zero goals: for instance, be based on low or zero carbon best practice; adopt and support innovative clean tech and/or support the growth of green skills and sustainable supply chains.</p> <p>Bids should set out how they will minimise any negative environmental impact and where they are promoting positive environmental choices.</p> <p>Bids should consider how projects can work with the natural environment to achieve project objectives – considering at a minimum the project's impact on our country's natural assets and nature, as well as the resilience of any capital and infrastructure project to potential hazards such as flooding.</p> <p>Transport applications in particular should clearly explain their carbon benefits. For bids involving regeneration and town centre investment, relevant strategies may include the UK Industrial Strategy, Local Industrial Strategies, National Infrastructure Strategy, Strategic Economic Plans, Local Plans, place-specific regeneration strategies or housing plans. Applicants may also reference alignment with Covid-19 recovery plans.</p>
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For bids within Scotland, Wales and Northern Ireland, applicants should additionally make clear links to the relevant strategies from the Devolved Administrations.

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

- **Levelling Up the United Kingdom (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:
  - *Spread opportunities and improve public services, especially in those places where they are weakest.*
  - *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 Eston Town Centre and invest in local pedestrian and cycling infrastructure to promote inclusive 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.
- **‘A National Plan for Sport, Health and Wellbeing’ (2022)** – This Policy Paper outlines the government’s strategy for promoting sports and physical activity in the UK. This strategy recognises the need for government investment in sports facilities to provide all sections of society with the opportunity to live a healthy and active lifestyle.
- **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 will encourage increased use of sustainable transport modes and contribute to this objective.

	<ul style="list-style-type: none"> <li>• <b>UK Clean Growth Strategy (2017)</b> – 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 will encourage increased use of sustainable transport modes and contribute to this objective.</li> <li>• <b>DfT Cycling and Walking Investment Strategy</b> – 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.</li> <li>• <b>DEFRA Clean Air Strategy 2019</b> - 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.</li> </ul> <p>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 regeneration and revitalisation of Eston, deliver direct health and wellbeing benefits and deliver sustainable economic growth.</p>
<p><b>4.4.3</b> Where applicable explain how the bid complements / or aligns to and supports existing and / or planned investments in the same locality. (100 words max per fund)</p>	<p>Applicants should explain how the LUF investment will complement/align to and support other investments from different funding streams.</p> <p>Applicants should consider the alignment of their bid with other planned/committed investments in the same location, detailing how additionality will be granted through LUF investment and duplication avoided.</p> <p>Where, for example, the LUF investment represents a first step in the implementation of a place’s regeneration/town centre strategy the application should demonstrate how the bid fits into the overall vision and would be a catalyst for transformation.</p> <p>Funding streams could include but are not limited to:</p> <ul style="list-style-type: none"> <li>- LUF Round 1</li> <li>- Towns Fund (including Future High Streets Competition)</li> <li>- City Region Sustainable Transport Settlement Fund</li> <li>- Major Road Network</li> </ul>



- Large Local Major Schemes
- City and Growth Deals
- Bus transformation funding
- Cycling and Walking funding
- Forthcoming UKSPF investment plans and any Community Renewal Fund investments
- Freeports
- High Streets Heritage Action Zones
- Heritage Action Zones
- Transforming Places Through Heritage
- Heritage Horizon Awards
- Cultural Development Fund
- Museums Estates and Development Fund (MEND)
- Libraries Improvement Fund
- Discover England Fund
- Great Places Scheme
- Northern Cultural Regeneration Fund
- UK City of Culture bids
- Create Growth Programme
- Creative People and Places
- Arts Council England capital investment programme

And any investment available by devolved administrations.

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

**Project 1 – Eston Retail and Commercial Regeneration:**

- Tees Valley Combined Authority Indigenous Growth Fund - £2m of TVCA match funding will be provided to support the redevelopment of Eston Precinct. This is provisionally confirmed subject to Full Business Case approval and a LUF funding award.

**Project 2 - Eston Leisure Regeneration:**

- Redcar and Cleveland Borough Council match funding - £2m of Redcar and Cleveland Brough Council funding will be provided to contribute to the delivery of the new Eston Pool. This is already confirmed by the Council’s Cabinet to be funded through Council prudential borrowing.

**Project 3 – Sustainable Transport Accessibility:**

- The Teesworks 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 match funding. This element of



	<p>the project also aligns with separate a LUF2 bid which is being developed for the South Middlesbrough and East Cleveland constituency area which includes an active travel route from Nunthorpe to Guisborough. 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, Eston, Nunthorpe and Guisborough.</p>
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<p><b>4.4.4</b> Please 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 and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the government's cycling design guidance which sets out the standards required.</p> <p>(250 words)</p>	<p>If the bid does not contain any transport related elements this question is not applicable.</p> <p>Where bids include local road projects, the intervention should deliver or improve cycling and walking infrastructure and include bus priority measures or give a sufficient explanation as to why this is not necessary.</p> <p>Applicants submitting bids with local road projects should familiarise themselves with DFT's <a href="#">'Better Deal for Bus Users'</a>, <a href="#">'Bus Back Better'</a> and <a href="#">'Gear Change'</a> strategies.</p> <p>If applicants are proposing any cycling infrastructure within their bid, it must adhere to the government's cycling design guidance:</p> <ul style="list-style-type: none"> <li>- <a href="#">For England and Northern Ireland</a></li> <li>- <a href="#">For Scotland</a></li> <li>- <a href="#">For Wales</a></li> </ul> <p>The proposals for the Teesworks to Nunthorpe Sustainable Active Travel Route will form a continuous 7.2 km route between South Bank Rail Station/Teesport and Nunthorpe Rail Station serving public transport interchanges, schools, employment sites, and recreation opportunities. The route meets the key LCWIP design outcomes of directness, coherence, attractiveness, safety and comfort.</p> <p>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.</p> <p>Full compliance is not possible for just 14% of the route as confirmed by SYSTRA transport consultants. Alternative routes have been rejected because of the length of diversion required, topography or land ownership challenges.</p> <p>The short sections of route which are not fully compliant include: South Bank ASDA (200m) – requires access across the supermarket car park, shared with low speed traffic (&lt;10mph) and pedestrians. Subject to negotiation, a traffic free route may be possible subject to relocation of some customer car parking.</p>
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	<ul style="list-style-type: none"> <li>• Flatts Lane (700m) and Guisborough Road, Nunthorpe (450m) – 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.</li> <li>• Flatts Lane Country Park (120m) – requires a steep climb of roughly 12% gradient. There is no alternative route and an over-engineered switchback solution may be inappropriate in a country park setting.</li> </ul> <p>Compliance of the scheme with LTN 120 is shown on the appended diagrams which have been produced by SYSTRA (Appendix 7 and Appendix 8)</p>
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<p><b>4.4.5</b> Please tick to confirm which of the following <a href="#">Levelling Up White Paper</a> Missions (p.120-21) your project contributes to:</p> <ul style="list-style-type: none"> <li>- Living Standards</li> <li>- Research and Development (R&amp;D)</li> <li>- Transport Infrastructure</li> <li>- Digital Connectivity</li> <li>- Education</li> <li>- Skills</li> <li>- Health</li> <li>- Wellbeing</li> <li>- Pride in Place</li> <li>- Housing</li> <li>- Crime</li> <li>- Local Leadership</li> </ul> <p>And write a short sentence to demonstrate how your bid contributes to the Mission(s).</p>	<p>Applicants should tick each of the <b>Levelling Up White Paper Missions</b> the project will contribute towards and then provide a short sentence to demonstrate how the bid contributes to the mission.</p> <p><b>Multiple missions can be selected if applicable.</b></p> <ul style="list-style-type: none"> <li>• <b>Living standards</b> – The package of projects will improve living standards and access to employment opportunities for Eston residents.</li> <li>• <b>Transport Infrastructure</b> – The delivery of the Teesworks to Nunthorpe Active Travel Route will improve local sustainable transport infrastructure.</li> <li>• <b>Health</b> - The delivery of the new Eston Pool, improvements to Eston Recreation Ground and the Teesworks to Nunthorpe Sustainable Active Travel Route will encourage residents to undertake more physical activity and have health and wellbeing benefits.</li> <li>• <b>Wellbeing</b> - The delivery of the new Eston Pool, improvements to Eston Recreation Ground and the Teesworks to Nunthorpe Sustainable Active Travel Route will encourage residents to undertake more physical activity and have health and wellbeing benefits.</li> <li>• <b>Pride in place</b> – The delivery of a new high-quality retail/leisure development, the new Eston Pool and Eston Recreation Ground improvements will have a transformative impact and improve local pride in Eston.</li> </ul>
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## Part 5 Economic Case

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [DLUHC Appraisal Guidance](#). Please also see [Technical Note](#).

## 5.1 Appropriateness of data sources and evidence

**5.1.1** Please provide up to date evidence to demonstrate the scale and significance of local problems and issues.

(500 words)

Applicants should explain the scale and significance of the local issues that they are seeking to address through the bid using data for the most relevant area; comparisons should be made between the area and the wider region and/or nation to evidence the scale of the problem.

Data should be provided from credible and robust sources. The following list is not exhaustive but is indicative of the quality of sources expected:

- Office for National Statistics
- Indices of Multiple Deprivation
- Labour Force Survey
- Published studies
- Past examples of similar interventions
- Local area surveys
- LA commissioned research reports
- White papers on the area of focus/sector of interest
- Comparative Devolved Administration data sources
- Traffic count data
- DCMS Sectors Economic Estimates
- Culture and Heritage Capital Portal
- The Active Lives Survey
- Taking Part Survey
- VisitBritain Surveys

The data analysis and the evidence should be interwoven in the economic case providing a concise and easy to understand narrative.

Bids with a transport element should provide clear evidence of how the current transport system operates, considering current congestion levels, public transport patronage and existing journey times to key services. This should illustrate the scale of the problem(s) the scheme is intended to address. The evidence should, in most cases, cover the level of service and capacity offered by the current transport network and the current demand for travel in the area. Associated issues should also be supported by evidence (e.g. where congestion/accessibility is stifling economic growth this should be clearly demonstrated).

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

	<ul style="list-style-type: none"> <li>• <b>High Deprivation</b> - The Lower Super Output Area (LSOA) which includes Eston Precinct is within the top 20% most deprived LSOAs nationally, and within the top 10% most deprived LSOAs in terms of health deprivation and income deprivation affecting children. The LSOA which includes Eston Pool and Eston Recreation Ground is within the top 10% most deprived LSOAs nationally, and within the top 10% most deprived LSOAs for health deprivation (IMD 2019).</li> <li>• <b>High Unemployment</b> - The unemployment rate in Redcar and Cleveland is 5.9%, significantly above the Great Britain unemployment rate of 4.4% (ONS, 2022).</li> <li>• <b>High Levels of Workless Households</b> - The number of workless households in Redcar &amp; Cleveland is significantly higher than the national average, at 21% compared with 13.6% nationally (ONS, 2022).</li> <li>• <b>Below Average Wages</b> - Average wages for those in work are below the national average in Redcar &amp; Cleveland, at an average full time gross weekly pay of £512.50 compared with the national average of £613.10 (ONS 2022)</li> <li>• <b>Health Inequalities</b> - Life expectancy at birth at Redcar and Cleveland is nearly two years less than the England average for both men and women. 30.1% of reception-age children in Redcar and Cleveland are overweight or obese, compared to 23% across England. Similarly, 71.9% of the adult population of Redcar and Cleveland is overweight or obese, compared to 62.3% nationally. 22.3% of the Borough's population does less than 30 minutes exercise each week and the Borough has higher than average incidence and mortality from cancer, and higher than average emergency hospital admissions (The Health Survey for England 2019).</li> </ul>
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<p><b>5.1.2</b> Please demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems</p>	<p>Applicants should provide the sources that the information presented in 5.1.1 were taken from and explain why these are appropriate data sources.</p> <p>Applicants should justify why the evidence used is the most appropriate (i.e. is it reliable and the most up to date) and explain why it is an accurate reflection of the challenges the area faces (i.e. not subject to bias).</p> <p>Data collection reports may be useful for transport schemes.</p>
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and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased.

(500 words)

The response to 5.1.1 presents a summary of a number of the key local social and economic challenges within Redcar & Cleveland which are resulting in increasing disparities and deprivation within the area. The economic position and performance of Eston, and the wider Redcar & Cleveland Borough, is in critical danger of falling further behind if these inequalities, local issues and challenges are not addressed to enable more deprived parts of the Borough 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:

- **Deprivation** - Index of Multiple Deprivation (IMD) 2019 - 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.
- **Unemployment/Benefit Claimants** - Claimant Count via Nomis. Claimants as a proportion of residents aged 16-64, January 2021-Dec 2021 – 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
- **Workless Households** - ONS Annual Population Survey via Nomis Labour Market Profile, January to December 2021 - 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 a Redcar & Cleveland Local Authority area level.
- **Below Average Wages** - ONS Annual Survey of Hours and Earnings via Nomis Labour Market Profile, 2021 - 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 a Redcar & Cleveland Local Authority area level.
- **Health Inequalities** - the Health Survey for England 2019 - The Health Survey for England monitors trends in the nation's health

	<p>and care, providing information about adults aged 16 and over, and children aged 0 to 15, living in private households in England. Each survey includes core questions (e.g. about smoking, alcohol, general health); measurements such as height, weight, and blood pressure; and analysis of blood and saliva samples. In addition, there are question modules on specific topics that vary from year to year. The 2019 report is the latest available.</p>
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<p><b>5.1.3</b> Please demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions.</p> <p>(250 words)</p>	<p>Applicants should explain how the data provided in 5.1.1 is relevant to the area targeted for the intervention. If the data provided is at a lower level of granularity than the specific area explain why the data is appropriate.</p> <p>Bids with a transport element should provide details of the travel market including key origins and destinations and the geographical extent of current transport problem with underlying drivers identified.</p> <p>The data and evidence chosen is appropriate to the area of influence of the interventions and the nature of the interventions proposed. The all of the project interventions are located within the Redcar &amp; Cleveland Local Authority area and as such, data has been presented at the local authority level where more granular data isn't available. 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.</p>
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## 5.2 Effectiveness of proposal in addressing problems

In this section applicants should clearly set out how the activity described in the bid will address the challenges identified.

**5.2.1** Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should be forecasted using a suitable model. Theory of Change evidence should be identified and referenced.

(750 words)

Applicants should provide a clear link between the problem, the proposal and the expected impact, describing the assumptions and the models used to justify how the proposal will be effective in resolving/mitigating the issue/s identified. For all proposals, evidence should be referenced which demonstrates how the inputs and activities from the Theory of Change clearly link to the outcomes and impacts the project intends to deliver.

Quantifiable impacts should, where appropriate, be forecasted using a suitable economic impact model. At its most simple form, the model should demonstrate a % change of X will lead to a % change of Y, based on Z rationale.

Data collection and survey reports may be annexed.

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

#### **Deprivation**

The scheme will deliver a number of positive employment, skills, health, crime and environmental quality improvements and will deliver a positive transformational impact on Eston and the surround area.

The package of projects will address a number of the deprivation issues through providing increased opportunities for local people. It will significantly enhance the quality of the physical environment of Eston and improve the town's retail and leisure offer, providing increased employment opportunities and supporting the longer-term sustainability of the high street. The delivery of the new Eston Pool and Eston Recreation Ground improvements will seek to address health deprivation issues by providing more opportunities for physical activity for the local population. The Teesworks to Nunthorpe Active Travel Route will also improve pedestrian and cycling safety and encourage healthier modes and transport, thereby reducing air pollution. The ATR will also improve accessibility to employment opportunities at Teesworks and Middlesbrough for Eston residents.

#### **Unemployment/ Benefit Claimants**

The scheme will provide new construction and permanent operation employment positions within the retail/ leisure floorspace which will be delivered at Eston Precinct and the new Eston Pool. The scheme will also safeguard existing



retail jobs in Eston by increasing footfall, dwell time and visitor spend and improving the long-term sustainability of Eston's local centre.

The scheme will provide new construction and permanent operation employment positions within the retail/ leisure floorspace which will be delivered at Eston Precinct and the new Eston Pool. The scheme will also safeguard existing retail jobs in Eston by increasing footfall, dwell time and visitor spend and improving the long-term sustainability of Eston's local centre. The Teesworks to Nunthorpe ATR will also improve accessibility to employment opportunities at Teesworks and Middlesbrough for Eston residents.

### **Workless Households**

The scheme will provide new construction and permanent operation employment positions within the retail/ leisure floorspace which will be delivered at Eston Precinct and the new Eston Pool. The scheme will also safeguard existing retail jobs in Eston by increasing footfall, dwell time and visitor spend and improving the long-term sustainability of Eston's local centre.

The scheme will provide new construction and permanent operation employment positions within the retail/ leisure floorspace which will be delivered at Eston Precinct and the new Eston Pool. The scheme will also safeguard existing retail jobs in Eston by increasing footfall, dwell time and visitor spend and improving the long-term sustainability of Eston's local centre. The Teesworks to Nunthorpe ATR will also improve accessibility to employment opportunities at Teesworks and Middlesbrough for Eston residents.

### **Below Average Wages**

The new construction and commercial jobs which will be supported by the scheme will provide high quality employment opportunities. The projects will support the economic growth of the wider Redcar economy contributing to a potential growth in average wages across the Borough. The Teesworks to Nunthorpe Active Travel Route will also enable Eston and Nunthorpe residents to access higher value employment opportunities at Teesworks and Middlesbrough who may not have otherwise been able to do so because of transport constraints.

The new construction and commercial jobs which will be supported by the scheme will provide high quality employment opportunities. The projects will support the economic growth of the wider Redcar economy contributing



	<p>to a potential growth in average wages across the Borough. The Teesworks to Nunthorpe Active Travel Route will also enable Eston and Nunthorpe residents to access higher value employment opportunities at Teesworks and Middlesbrough who may not have otherwise been able to do so because of transport constraints.</p> <p><b>Health Inequalities</b></p> <p>The scheme will deliver a new Eston Pool, improvements to Eston Recreation Ground and the delivery of the Teesworks to Nunthorpe Active Travel Route to encourage increased physical activity and active lifestyles.</p> <p>This will directly address the health inequalities that are present in Redcar and Cleveland and Eston in particular.</p>
<p><b>5.2.2</b> Please describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis, the quality of the evidence and the accuracy and functionality of the models used.</p> <p>(500 words)</p>	<p>With reference to 5.2.1, applicants should discuss why the forecasting assumptions are reasonable, why the methodology and choice of model is appropriate and why the evidence used is accurate.</p> <p>Key factors to be covered include:</p> <ul style="list-style-type: none"> <li>- the quality of the analysis</li> <li>- the quality of the evidence</li> <li>- and the accuracy and functionality of the models used.</li> </ul> <p>Applicants should also reference any limitations in the model.</p> <ul style="list-style-type: none"> <li>- Bids with a transport element should provide the methodology employed to forecast the 'do minimum' and 'do something' options. The method used to forecast demand should clearly be described in the bid. The methodology should be appropriate with a clear rationale provided. The methodology should also demonstrate alignment to Transport Analysis Guidance forecasting processes in a proportionate manner. Relevant local model validation report(s) and model forecasting reports can be attached.</li> </ul> <p>A full economic appraisal has been undertaken by Cushman &amp; 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</p>

as far as possible.

#### **Direct PV Land/Property Value Uplift (Eston Precinct)**

Land value uplift is a measure of private economic benefit accepted within the HMT Green Book. We have applied Valuation Office Agency (VOA) Land Value Estimates for Policy Appraisal (2019) (uplifted to 2022/23 values) to establish the economic Existing Use Value (EUV) and post scheme land value using the Middlesbrough values as the closest VOA proxy to Eston. Assumed displacement of 20%. The approach and displacement assumptions are in full alignment with the MHCLG Appraisal Guide. Some professional market judgement was applied by Cushman & Wakefield in determining the economic EUV decay under a business as usual scenario with no LUF intervention assuming the occupancy of the existing Precinct becomes increasingly void over the next 5 years to only 30% occupancy by 2029/30, reflecting its condition, market appeal and current lease covenants and tenures.

#### **Direct PV Land/Property Value Uplift (Eston Pool)**

Land value uplift is a measure of private economic benefit accepted within the HMT Green Book. Applied the RICS contractors' method of valuation to inform the land/property value uplift of the new Pool using a June 2022 cost plan estimate. Assumed nil economic EUV on the premise of the existing permanently closed and life expired asset. Displacement of 20%. General approach and displacement assumptions in full alignment with the MHCLG Appraisal Guide adjusted to reflect contractor's valuation method as opposed to residual valuation approach given the inappropriateness of this for a non-tradeable asset with no GDV as such.

#### **Indirect PV Occupied Commercial Land/Property Value Uplift**

Land value uplift is a measure of private economic benefit accepted within the HMT Green Book. 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 Eftec 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

### **Direct Labour Supply Benefits**

Labour supply impacts capture the tax revenues and associated social welfare benefits arising from additional people in the labour market working and can be included as per the HMT Green Book where there is a case for a scheme enabling new entrants/re-entrants to the labour market. This is a recognised Green Book principle that is firmly embedded within Unit 2.3 of the DfT's Transport Appraisal Guidance (TAG). It has been assumed that 10% of the new gross FTE jobs will be taken by new/re-entrants to the labour market. GVA per FTE data was applied using ONS GVA data at the North East level using SIC Group R (Arts/Entertainment/Recreation) (based on ONS 2019 Output per Job data).

### **User Wellbeing Benefits – New Pool**

Capturing the private user wellbeing values of participation in the arts, culture and sport sectors is a recognised form of benefit that can be included within economic appraisals as part of the “adjusted BCR” in accordance with the Green Book and MHCLG Appraisal Guide. DCMS published a report entitled “Quantifying and Valuing the Wellbeing Impacts of Culture and Sport” in 2014. The aims of the analysis presented within this report were to 1. Identify the impacts of culture and sport engagement on individuals' wellbeing and 2. Estimate monetary values for those wellbeing impacts using the Wellbeing Valuation approach. The WV approach has been gaining popularity in the academic literature and is now a recognised methodology in the HM Treasury Green Book. They are fully consistent with the theory of value set out in welfare economics and hence can be applied to CBA. The WV values from this have been applied to projected new pool users with a build-up of benefits modelled over a 30-year appraisal period (Appendix 36). A low level of displacement (20%) is assumed as per the MHCLG Appraisal Guide to account for the lack of alternative pool facilities nearby and therefore a low propensity for

displacement of economic activity.

### **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 technical note on this for further information (Appendix 11).

### **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.

### 5.3 Analysis of costs and benefits

In this section applicants should describe and explain the costs and benefits in the relevant [Costings and Planning Workbook – Tables A – Economic Benefits and Table A - Economic Costs](#) They should provide an explanation of how benefits and costs are analysed and estimated, and how this approach is proportionate for the proposal being submitted.

All costs and benefits must be compliant or in line with [HMT's Green Book](#) (including supplementary guidance), [DLUHC Appraisal Guidance](#), and if appropriate [Transport Analysis Guidance](#).

Package bids need to demonstrate both the overall package costs and benefits, and the disaggregated costs and benefits for each component project. Supplementary tables for component projects should be completed in full.

**5.3.1** Please explain how the economic costs of the bid have been calculated, including the whole life costs.

(500 words)

A bespoke economic appraisal model has been developed 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.



- No ongoing public sector costs/revenues have been modelled beyond the capital investment phase. This reflects the below:
  - Whilst the Precinct scheme will generate a net revenue surplus to the Council each year, this income has already been accounted for in the estimate of the LVU (i.e. through the capitalisation of the rental income as part of the VOA residual appraisal approach). It would therefore constitute double counting of benefits to treat this as an income to the public sector in the denominator of the BCR as well in our view and so has prudently been excluded. If included this would further increase the BCR and we would welcome DLUHC's view on this.
  - The Pool is anticipated to be net cost/income neutral based on the business plan projections
  - The Recreation Ground and Active Travel Route, whilst they will incur ongoing public sector maintenance costs, as explained in the financial case, the net additional public sector cost over and above the BAU position is considered negligible and so this has been excluded.
- 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. 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 costs into FY 2022/23 base year values



	<ul style="list-style-type: none"> <li>• 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%. The Eston Precinct and Pool schemes can be categorised as a Standard Buildings and the Recreation Ground and Active Travel Routes as Standard Civil Engineering schemes. 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: <ul style="list-style-type: none"> <li>- Eston Precinct – 13% (mid-point of upper and lower bound levels for standard buildings)</li> <li>- Eston Leisure Regeneration – 13% (mid-point of upper and lower bound levels for standard buildings, acknowledging that the Recreation Ground scheme represents only 11% of this total project cost)</li> <li>- Eston Sustainable Transport – 24% (mid-point of upper and lower bound levels for standard civil engineering schemes)</li> </ul> </li> </ul>
<p><b>5.3.2</b> Please describe how the economic benefits have been estimated, including a discussion and evidence to support assumptions.</p>	<p>Applicants should describe the quantifiable benefits of the proposal and where possible, be explained in terms of outcomes.</p> <p>These must be categorised according to the different benefits of the proposal. Suitable benefits include, but are not limited to, direct land value uplift,</p>
<p>(750 words)</p>	<p>wider land value uplifts, amenity benefits, air quality benefits, reduced journey times, supporting employment, or reduced carbon emissions.</p> <p>Applicants should describe any assumptions used that have not been described in 5.2.1, including unit values used, forecasting assumptions and additionality. References to guidance and/or unit values that have been used should also be provided.</p>

**PLEASE SEE THE APPENDED TECHNICAL ECONOMIC BENEFITS METHODOLOGY AND ASSUMPTIONS PAPER. THE BELOW IS A SNAPSHOT SUMMARY (Appendix 9).**

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 real present day 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.

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

**Eston Precinct**

- *Direct PV Land Value Uplift associated with new Precinct* - it is assumed that the new Precinct scheme will result in net additional land value uplift albeit in estimating this the economic Existing Use Value (EUV) of the current precinct has to be accounted for. It is assumed that under a do nothing/Business as Usual scenario without LUF intervention to deliver the new precinct that the existing precinct will fall into a continued state of disrepair with increased void challenges over time as it becomes less attractive to occupiers and leases are not renewed by existing tenants. VOA data has been used to inform this uplifted to 2022/23 values. This equates to a PV net additional benefit

of £0.422m.

- *Indirect PV Land/Property Value Uplift – surrounding occupied commercial properties* - the delivery of the new Precinct scheme will have a transformational impact on not only the tone and quality of the physical environment but also on the quality of the offer as a retail destination. As a result of this there could be the potential for a significant catalytic impact in terms of the property values of existing wider commercial properties along the High Street and within the vicinity of the new Precinct, reflecting this additional footfall and spend and therefore retail turnover and occupier demand. 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 £5.116m.
- *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 Eston at the heart of the 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 deadweight and displacement adjustments to result in a total PV net additional LVU benefit of £0.143m.
- *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 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 £7.775m
- *Direct PV Amenity Benefits associated with new public open space* - the 2016 MHCLG Appraisal Guide suggests that amenity benefits 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.

### **Eston Leisure Regeneration**

- *Direct PV Land Value Uplift associated with the new pool facility* – based on the contractors' method of valuation as per the RICS. This results in a PV net additional land value uplift of £6.109m net of 20% displacement.
- *Direct Pool User Wellbeing Benefits* - based on DCMS evidence applying a monetary value to pool users using the wellbeing valuation approach. This results in a PV net additional total wellbeing benefit of £14.089m accounting for 20% displacement.
- *Direct Pool Labour Supply Benefits* – based on a proportion of the new direct employment supported by the Pool using TAG methodologies. It has been assumed that 10% of the new gross FTE jobs will be taken by new/re-entrants to the labour market. The assumed welfare impact was based on 40% of total GVA impact. This equates to a total PV benefit over 10 years of £0.18m.
- *Recreation welfare benefits* - the proposed improvements to the Eston Recreation Ground include a number of interventions intended to promote usage and activity and promote personal health and wellbeing. This includes, for example, new recreational facilities, natural play areas, outdoor gym, skatepark, street furniture and wildlife/ecological improvements. Using the ORVal Tool, welfare values based on additional users and increased welfare benefits per user derived a 30 year PV benefit of £2.309m.

### **Sustainable Active Travel Route**

- *AMAT Benefits* - the DfT's Active Mode Appraisal Toolkit (AMAT) has been used to assess benefits of the active travel route. This was undertaken by SYSTRA, experienced transport economic consultants in accordance with TAG methodologies (see SYSTRA technical note at Appendix 10). AMAT has been used to quantify benefits to pedestrians and cyclists of the proposed new active travel route. This results in a PV benefit of £9.937m

in 2022/23 values to be consistent with the wider benefit analysis.

### **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 active travel interventions) to reflect the assumption that the LUF interventions will have a greater welfare impact on the target group (i.e. residents of Eston) 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.

## 5.4 Value for money

In this section applicants should set out the Value for Money (VfM) of their bid, taking account of monetised and non-monetised impacts and risks and uncertainties.

Prior to completing this section the application should complete the relevant

### **Costings and Planning Workbook – Table A – VfM5.4.1**

Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios (BCR).

(500 words)

If a BCR has been estimated, please provide the BCR of the proposal below.

If you only have one BCR, please enter this against the 'initial' BCR.

'Initial' BCR (single bid)

'Adjusted' BCR (single bid)

Applicants should provide a summary of the overall Value for Money of the bid. This should be consistent with the relevant [Costings and Planning Workbook Table A – VfM](#)

If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated i.e. a methodology note. BCRs should be calculated in a way that is consistent with [HMT Green Book](#). For non-transport bids it should be consistent with [DLUHC appraisal guidance](#). For bids with a transport element this should be consistent with [DfT Transport Analysis Guidance](#).

If an 'initial' and an 'adjusted' BCR are provided, applicants should explain which categories of benefits are included in each.

Applicants are encouraged to attach a more detailed explanatory note explaining how the BCR has been calculated.

As per the LUF Costings and Planning Workbook (Appendix 11), the overall value for money of the bid is presented below on an initial and adjusted basis as required:

- **Initial BCR – 1.12**
- **Adjusted BCR – 2.36**

This has been auto calculated in the workbook using the applied economic costs and benefits (Appendix 31).

Overall, on the basis of the monetised benefits captured within the BCR only, the initial BCR of 1.12 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:

- Pool user wellbeing benefits
- 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 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 monetised and non-monetised benefits, the overall value for money position of the scheme is considered to be high.

**5.4.2** Please describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed, including the expected scale of these impacts. These will be factored into the overall Value for Money assessment of the bid.

(500 words)

In response to this question applicants should discuss any non-monetised impacts the proposal will have including an assessment of how significant the non-monetised impacts may be.

Applicants should consider that beyond the economic impact that can be quantified, there are other important benefits associated with any intervention that are harder to monetise. These can be included as non-monetised benefits in acknowledgment that there is a limited number of studies that have monetised these benefits.

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 new pool and precinct replacing obsolete/approaching life expired assets with modern and energy efficient buildings 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 FTE construction job years or 20 FTE construction jobs which could deliver wider national and local supply chain benefits.
- *Safeguarding of existing and creation of new permanent employment opportunities* – the new Precinct and Pool schemes will assist to both safeguard and create new local employment opportunities in the town. For example, the Pool could support up to 20 new gross FTE jobs in terms of its operations and the Precinct could support up to 160 gross direct FTEs (acknowledging that a proportion of these would be safeguarded existing jobs).
- *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 Greater Eston and result in additional value increases to enhance the viability of wider development



	<p>schemes beyond those monetised above across a wider area. For example, it could assist to accelerate/unlock wider commercial and residential site development opportunities.</p> <ul style="list-style-type: none"> <li>• <i>Reduced crime and fear of crime</i> – the delivery of an improved town centre and retail/amenity/leisure offer could assist to reduce crime, the fear of crime and antisocial behaviour in the Eston area. In April 2022, there were 149 crimes reported within 0.5 miles of the High Street, one third of which related to anti-social behaviour and criminal damage.</li> <li>• <i>Enhancing the brand and perception of the area</i> – 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 Eston brand as a location in which to live, work, visit and invest in.</li> <li>• <i>Supporting the economic growth potential of Teesworks and the Teesside Freeport</i> – Eston is a key local service centre and residential location for the significant employment and economic growth opportunities that exist around Teesworks and the Freeport. Enhancing Eston 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.</li> </ul>
<p><b>5.4.3</b> Please provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid.</p> <p>(250 words)</p>	<p>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.</p> <p>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</p>

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 the acceptable and high VFM thresholds as defined by HMT:

- Percentage increase in PV economic costs for initial BCR to fall to below 1 – 12%
- Percentage decrease in PV benefits for initial BCR to fall below 1 – 11%
- Percentage increase in PV economic costs for adjusted BCR to fall to below 2 – 18%
- Percentage decrease in PV benefits for adjusted BCR to fall below 2 – 16%

### **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. *Impact of increasing the OB to the HMT OB upper bound limits of 24% for the Precinct and Leisure schemes and 44% for the Sustainable Travel scheme* – initial BCR reduces to 1.00 and adjusted BCR reduces to 2.12.
2. *10% reduction in PV benefits* - initial BCR reduces to 1.00 and adjusted BCR reduces to 2.12.
3. *10% increase in PV benefits* - initial BCR reduces to 1.01 and adjusted BCR reduces to 2.14
4. *Exclusion of distributional benefits* - initial BCR remains at 1.12 and adjusted BCR reduces to

	1.7.
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<p><b>5.4.4</b> We would expect an Appraisal Summary Table, to be completed to enable a full range of impacts to be considered. This should be consistent with the relevant appraisal guidance for the bid.</p> <p><b>For package bids</b>, please provide an Appraisal Summary Table for each component project.</p> <p>For Regeneration or Cultural bids, the Appraisal Summary table should be consistent with the DLUHC appraisal guidance. For Transport bids it should be consistent the <a href="#">Transport Analysis Guide</a>.</p> <p>Any additional evidence to support your responses to this section should be referenced within your responses (5.1.1 – 5.4.3) and attached as a single annex.</p>	<p>For Regeneration or Cultural bids, applicants are encouraged to submit an Appraisal Summary Table consistent with the DLUHC appraisal guidance for their project.</p> <p>For transport bids, applicants are encouraged to submit an <a href="#">Appraisal Summary Table</a> consistent with the Transport Analysis Guidance for their bid.</p> <p>For package bids, applicants are encouraged to submit an Appraisal Summary Table for each component project consistent with the relevant appraisal guidance for the theme of the project.</p> <p>Any additional evidence to support your responses to this section should be referenced within your responses (5.1.1 – 5.4.3) and attached as a single annex.</p> <p>Applicants should provide specific appraisal output spreadsheets where relevant, including <a href="#">Active Mode Appraisal Toolkit</a>, <a href="#">Local Highways Maintenance Appraisal Toolkit</a>, <a href="#">Small Scheme Appraisal Toolkit</a> or Transport User Benefit Appraisal (TUBA) outputs.</p> <p>Please see appended technical economic appraisal appendix with ASTs for each scheme and an overall bid AST (Appendix 10).</p>
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## Part 6 Deliverability

### 6.1 Financial

Within this section applicants are required to provide clear and robust details of the financial aspects of the bid, including sources, secured status, and type of match funding, project costs, financial risks and mitigation measures, and how funding is structured – e.g. if you are intending to further disburse the LUF grant with bid

partners.

Management and consultancy costs should be clearly shown within the project budget, and any work to be sub-contracted explained within the application form.

Prior to completing this section applicants should complete the relevant [Costings and Planning Workbook](#) - **Table B – Funding Profile** and **Table C – Cost Estimates**

<p><b>6.1.1</b> Please confirm the total value of your bid.</p>	<p>Applicants should confirm the total value of the bid, this should include the LUF grant and any match funding.</p> <p>All expenditure should be defrayed by March 2025 (and by 2025-26 on an exceptional basis e.g. for large projects between £20 million and £50 million).</p> <p>The total value of the bid is <b>£24,723,713</b> a breakdown of this by funding source is provided below:</p> <ul style="list-style-type: none"> <li>• Levelling Up Fund - £19,978,713</li> <li>• Total Match Funding - £4,745,000 comprising: <ul style="list-style-type: none"> <li>○ Tees Valley Combined Authority (TVCA) Indigenous Growth Fund - £2,000,000</li> <li>○ Redcar and Cleveland Borough Council Funding - £2,000,000</li> <li>○ Sustrans match funding from DfT via TVCA - £745,000</li> </ul> </li> </ul>
<p><b>6.1.2</b> Please confirm the value of the capital grant you are requesting from LUF.</p>	<p>Applicants should confirm the total value of LUF grant they are seeking. Applicants are reminded that LUF grant will only fund direct capital costs associated with the delivery of the project.</p> <p><b>£19,978,713</b></p>

<p><b>6.1.3</b> Please confirm the value of match funding secured.</p> <p>Where match funding is still to be secured please set out details below. If there are any funding gaps please set out your plans for addressing these.</p> <p>(250 words)</p>	<p>Local match funding contributions will be taken into account during assessment. A local contribution of 10% or higher (local authority and/or third party) of the bid costs is encouraged.</p> <p>Match funding can include a mix of public and private sector contributions.</p> <p>Applicants should note that a contribution is expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid.</p> <p>Applicants are encouraged to submit evidence of match funding e.g. match funding letters. Match funding letters should be signed by an appropriate authority, clearly reference the amount of funding committed to the project (within the scope of the LUF bid) and set out any conditions that may apply to the funding.</p> <p>Applicants should explain what if any funding gaps there are, and what further work needs to be done to secure third party funding contributions.</p> <p>Please clearly set out your approach to raising additional funds.</p> <p>The following match funding sources will be utilised:</p> <ul style="list-style-type: none"> <li>• Tees Valley Combined Authority Indigenous Growth Fund - £2,000,000</li> <li>• Redcar and Cleveland Borough Council Funding - £2,000,000</li> <li>• Sustrans match funding - £745,000</li> <li>• <b>Total Match Funding - £4,745,000</b></li> </ul> <p>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).</p> <p>There are no funding gaps and no further work is required to secure third party funding contributions aside from an FBC approval by TVCA for the £2m investment in the Precinct which would be secured post LUF award.</p>
<p><b>6.1.4</b> If you are intending to make a land contribution (via the use of existing owned land), please</p>	<p>For land contributions, applicants are required to submit a letter from an independent valuer to verify the true market value of the land. The current ownership of the land and any restrictions on use, should also be set out here.</p> <p>Not applicable.</p>

<p>provide further details below and confirm who currently owns the land, details of any restrictions and the estimated monetary value. (250 words)</p>	
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<p><b>6.1.5</b> Please confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below. (250 words)</p>	<p><b>Applicants should confirm if their budget includes unrecoverable VAT costs and should state what these are.</b></p> <p>The scheme budget does not include any unrecoverable VAT costs, these are excluded from all cost estimates.</p>
<p><b>6.1.6</b> Please describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget. Please advise on any assumptions. (750 words)</p>	<p><b>For each cost item, applicants should provide a clear explanation of the benchmarking/market research undertaken to support the proposed cost, including details of any assumptions.</b></p> <p>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.</p> <ul style="list-style-type: none"> <li>• <b>Project 1 – Eston Retail and Commercial Regeneration:</b> <ul style="list-style-type: none"> <li>○ <b>Existing Precinct acquisition costs</b> – acquisition cost estimate provided by Avison Young who are appointed as the Council’s property agents to negotiate the acquisition of the units. The estimates are based on the acquisition negotiations which have been undertaken to date by Avison Young. A full breakdown of the interests and estimated acquisition costs is appended to this bid (Appendix 12).</li> <li>○ <b>Precinct demolition and new build cost</b> – cost</li> </ul> </li> </ul>

	<p>estimate provided by experienced cost consultants Identity Consult. The estimate has been prepared in an elemental format using the standard Building Cost Information Service (BCIS) list of elements and definitions. The estimate has been prepared in this format so that the costs can be benchmarked against Identity Consult's cost data for comparable projects. The full Identity Consult cost plan is appended to this bid (Appendix 13).</p> <ul style="list-style-type: none"> <li>• <b>Project 2 – Eston Leisure Regeneration:</b> <ul style="list-style-type: none"> <li>○ <b>Eston Pool</b> - Cost estimate prepared by scheme contractors Willmott Dixon. The scheme designs and cost plan are appended to this bid (Appendix 14).</li> <li>○ <b>Eston Recreation Ground</b> – Cost estimate prepared by experienced cost consultants SUM based on designs produced by Gillespies. The scheme designs and cost plan are appended to this bid (Appendix 15).</li> </ul> </li> <li>• <b>Project 3 – Eston Sustainable Transport Accessibility:</b> <ul style="list-style-type: none"> <li>○ Teesworks to Nunthorpe Active Travel Route (including Eston spurs) cost estimate prepared by experienced engineers and cost consultants WSP. The cost plan is appended to this bid (Appendices 16-19)</li> </ul> </li> </ul>
<p><b>6.1.7</b> Please provide information on margins and contingencies that have been allowed for and the rationale behind them.  (500 words)</p>	<p>Applicants should provide a clear explanation of the margins and contingencies that have been allowed for and justification for these being realistic.</p> <p>The following contingency allowances have been applied to each element of the scheme:</p> <ul style="list-style-type: none"> <li>• <b>Project 1 – Eston Retail and Commercial Regeneration:</b> <ul style="list-style-type: none"> <li>○ <b>Precinct demolition and new build cost</b> – a 10% risk allowance has been included within the Identity Consult 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.</li> </ul> </li> <li>• <b>Project 2 – Eston Leisure Regeneration:</b> <ul style="list-style-type: none"> <li>○ <b>Eston Pool</b> – the cost estimate prepared by Willmott Dixon includes a contingency allowance of 8.05%. This is considered to be appropriate and robust as the designs are currently RIBA Stage 2 concept designs and therefore there is potential for some cost overruns as the designs and project are developed.</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>○ <b>Eston Recreation Ground</b> – the cost estimate prepared by SUM includes an overall contingency allowance of 6%. This risk allowance is based on the Quantified Risk Register which has been prepared by SUM and is considered to be appropriate and prudent given the current stage of the scheme designs.</li> <li>● <b>Project 3 – Eston Sustainable Transport Accessibility:</b> <ul style="list-style-type: none"> <li>○ Teesworks to Nunthorpe Active Travel Route (including Eston spurs) 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).</li> </ul> </li> </ul>
<p><b>6.1.8</b> Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UK Government funding partners. (You should cross refer to the Risk Register).  (750 words)</p>	<p>Bids should highlight the key financial risks from the Risk Register and detail how cost overruns will be dealt with and shared between non-UK Government funding partners.</p> <p>Any risk mitigations proposed should be relevant, costed and timely. In addition, applicants should detail the contingencies they intend to put in place in the event that mitigations are unsuccessful.</p> <p>Any impacts on communities, cultural groups and local transport groups such as disruption or displacement should also be considered, with impacts costed and mitigations or compensations identified.</p> <p>A risk register has been prepared for each project and these are appended to the bid.</p> <ul style="list-style-type: none"> <li>● Eston Precinct – Appendix 13</li> <li>● Eston Pool – Appendix 14</li> <li>● Eston Recreation Ground – Appendix 15</li> <li>● Teesworks to Nunthorpe Active Travel Route – Appendix 20</li> </ul> <p>The key financial risks of each project are summarised below alongside key risk mitigation measures:</p> <p><b>Project 1 – Eston Retail and Commercial Regeneration:</b></p> <ul style="list-style-type: none"> <li>● <b>Inflated construction costs increase the overall construction costs, affecting the project viability</b> – this risk will be mitigated by ensuring that the scheme cost consultants Identity Consult review the cost estimates at regular intervals to ensure the cost estimates reflect latest available pricing information.</li> <li>● <b>LUF funding not secured which creates viability issues for the scheme</b> – The Council will ensure that all</li> </ul>

	<p>information required to support the LUF bid is provided to ensure that the proposed scheme and case for investment is clearly presented and understood.</p> <ul style="list-style-type: none"> <li>• <b>Costs associated with the acquisition costs increasing due to difficult negotiations</b> – to mitigate this risk Avison Young will continue acquisition negotiations to confirm the acquisition costs as soon as possible. Once these are available, the scheme development appraisal will be updated to ensure that the scheme remains viable with the finalised acquisition costs.</li> </ul> <p><b>Project 2 – Eston Leisure Regeneration:</b></p> <ul style="list-style-type: none"> <li>• <b>LUF funding not secured which creates viability issues for the scheme</b> – 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.</li> <li>• <b>Construction cost increases/ overruns</b> – An 8% contingency allowance for the Pool and 6% for the Recreation Ground 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.</li> </ul> <p><b>Project 3 – Eston Sustainable Transport Accessibility:</b></p> <ul style="list-style-type: none"> <li>• <b>LUF funding not secured which creates viability issues for the scheme</b> – 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.</li> <li>• <b>Construction cost increases/ overruns</b> – A 54% 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.</li> </ul>
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<p><b>6.1.9</b> If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant,</p>	<p><b>In your response please provide the following detail:</b></p> <ul style="list-style-type: none"> <li>- Partner name and address</li> <li>- Role in bid and what their grant will fund</li> <li>- LUF funding partner will receive (£)</li> <li>- Funding method e.g. sub-grant / funding agreement etc.</li> </ul>
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<p>please advise below. NB: You must ensure any further disbursement of the grant is done so in accordance with subsidy controls and public procurement rules. (750 words)</p>	<p>It is the applicant's responsibility to ensure that any further disbursement of the grant is done so in accordance with subsidy controls and public procurement rules.</p> <p>The bid should detail what controls will be implemented to adequately manage the onward disbursement of the grant to any partners via a contract or sub grant.</p> <p>Not applicable.</p>
<p><b>6.1.10</b> What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project? (750 words)</p>	<p>Applicants should clearly set out the legal / governance structure that will be put in place with any project partners who have a financial interest in the bid.</p> <p>If appropriate, applicants should explain what financial assessment and due diligence has or will be undertaken on bid partners.</p> <p>Not applicable – the Council will be the delivery lead and procure individual work packages for each project.</p>

## 6.2 Commercial

Within this section, applicants should set out their commercial and procurement strategy for effectively awarding and managing any contracts for goods, works or services to be funded by the grant. The strategy should include all key procurement lifecycle activities, timescales and who will lead on procurement / contractor management.

<p><b>6.2.1</b> Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and</p>	<p>Applicants should set out their procurement approach to managing the project. The procurement route should also include an explanation as to why it is appropriate for a bid of the scale and nature proposed.</p> <p>Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties.</p> <p>The procurement strategy should be proportionate with value of the project and should cover the full procurement cycle.</p> <p>All applicants should clearly set out:</p>
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discounted.

(1500 words)

- Which key contracts will be procured
- What pre-market engagement/research activity has been undertaken to date or is planned
- Whether or not a health check of the market has been undertaken to identify any potential capability or limitations that may impact on project/procurement timescales and how these will be mitigated.
- What procurement approaches have been explored or discounted
- What route to market is proposed, including an explanation as to why it is appropriate for scale / nature of the contract/s?
- Set how you will effectively manage your contracts with key suppliers/contractors to ensure quality and manage/mitigate supply chain risks.

The procurement strategy should also demonstrate alignment with Net Zero ambitions, and where appropriate, include details of a sustainable approach such as:

- use of innovative clean technology
- support the growth of green skills
- use of sustainable supply chains

All applicants should set out how contracts will be procured and managed effectively; in accordance with procurement best practice and all relevant legal requirements including public contract regulations 2015 and 2020 amendments (post EU exit) and other appropriate legislation including the [Modern Slavery Act](#), as applicable.

**Additionally, local authority applicants should:**

- demonstrate that they have considered government policies and guidance including the [Sourcing and Consultancy Playbooks](#) and [Construction Playbook](#).
- demonstrate innovative procurement, including for example how they have factored **social value** into their procurements.
- set out in their procurement strategy and risk register how government guidance on Resolution Planning1 has been considered.

For package bids, please note that we need to understand the procurement activities for each component project.

More detailed information on procurement activities, timescales, and the resources required should be included in the project delivery plan.

**Commercial Structure**

Redcar & Cleveland Borough Council is a unitary Local Authority and has a traditional management structure and reporting procedure focused 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 our 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 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 Eston Pool construction contract has been procured through the Procurement Hub Major Projects Framework. As a result of this process a direct award of the construction contract has been made to Willmott Dixon Construction Ltd and the contractor is in place to commence the works, subject to the award of the requested LUF funding. The Council decided progress the procurement of this to ensure it is as delivery ready as possible subject to securing a viable funding solution through LUF.

A full assessment of the procurement options and strategy was completed by Identity Consult, details of which are appended to this bid (Appendix 14). The following Procurement Route Options were considered:

- **The Procurement Hub Framework Major Works** – this is an OJEU Compliant Framework, under which Willmott Dixon Construction Ltd. are the confirmed 'Direct Award Supplier'.
- **The 'ReCreation Route'** - ReCreation provides a 'one stop shop' whereby they would act as Development Manager under a single appointment with RCBC. ReCreation would the appoint all Consultants and the Main Contractor.
- **The Alliance Leisure Services Framework** - The ALS Framework offers an OJEU compliant framework. As with the ReCreation route, they provide a 'one stop shop' whereby they would act as Development Manager under a single appointment with RCBC. Alliance Leisure Services would the appoint all Consultants and the Main Contractor.
- **Two Stage Design and Build Route** - Competitive First Stage tenders would be sought, utilising a recognised framework such as NEPO or Procure Partnerships. Main Contractors would be invited to put forward their directly appointed core design team who, if successful would then be appointed under a Second Stage to work up firm design and cost proposals under a PCSA, prior to a Contract Award.

An assessment of the advantages and disadvantages of each procurement option has been undertaken by Identity Consult and

a full options assessment is provided within the appended Eston Pool Procurement Report (Appendix 14).

The Procurement Hub Framework Major Works route was selected as the most appropriate route to be adopted to procure the Eston Pool works. This was considered the most appropriate option because the Procurement Hub is a recognised OJEU compliant Framework available to the Council and offers the quickest route to engaging with a Main Contractor and the Design Team. Additionally, Willmott Dixon Construction Ltd, as a Tier 1 Contractor and with sub-consultant support from GT3 architects are considered to be an experienced and well-resourced team to deliver the Council's requirements.

The following other work packages will be procured as part of the delivery of the project as three separate works packages as below:

**Project 1 – Eston Retail and Commercial Regeneration:**

- Demolition and new build retail/ leisure construction contract. The Council will likely use either the NEPO or Procurement Hub Framework to procure this contract. Tenders will be undertaken on a two-stage design and build basis through a mini competition via the framework. The framework and the number of contractors approached will be chosen at RIBA stage 3 and will depend upon contractor availability and market interest as the scheme develops.

**Project 2 – Eston Leisure Regeneration:**

- Eston Recreation Ground Improvement works contract (details of procurement strategy and route provided above).

**Project 3 - Eston Sustainable Transport Accessibility:**

- Teesworks to Nunthorpe Sustainable Active Travel Route construction contract. The Teesworks 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).

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

	<p>appended to this bid (Appendix 21). This also stipulates requirements in accordance with the Council's net zero carbon ambitions which will form part of the selection criteria.</p> <p>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.).</p> <p>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. The Council will use pre-procured frameworks where appropriate, all of which will be in full accordance with its Procurement Policy.</p> <p>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.</p>
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<p><b>6.2.2</b> 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? If the procurement is being led by a third party and not the lead</p>	<p><b>The applicant should clarify who will lead the procurement/s and demonstrate that the core project team have the relevant skills and expertise for managing procurements and contracts.</b></p> <p>Within Redcar &amp; 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).</p> <p>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.</p> <p>Senior Project Managers from the Place Investment Team will</p>
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applicant,  
please provide  
details below.

(500 words)

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

	<p>rates, dialogue and are legally compliant.</p> <p>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.</p>
<p><b>6.2.3</b> Are you intending to outsource or sub-contract any other work on this bid to third parties? For example, where you have identified a capability or capacity gaps.</p> <p>(750 words)</p>	<p>Applicants should set out plans for engaging with key suppliers/contractors so it is clear how suppliers/contractors have been selected and how contracts will be effectively managed to ensure the desired outcomes are delivered. This should include the use of key performance indicators (KPI's) and other measures that will be used to drive quality.</p> <p>Applicants should also clearly set out in their response how they will manage any capability or capacity gaps.</p> <p>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.</p>
<p><b>6.2.4</b> How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes. What measures will you put in place to mitigate supplier/contract or risks and what controls will you implement to ensure they deliver on quality.</p>	<p>Applicants should set out what measures will be put in place to manage contractor / supplier risks. This should include due diligence, the checking of the financial and economic standing of suppliers, and effective contract / payment structures.</p> <p>As outlined within the Council's Procurement Strategy (Appendix 21), 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.</p> <p>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</p>

(1000 words)

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.

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<sup>1</sup> Guidance on resolution planning is applicable to new procurements by Relevant Authorities of:

- Critical Service Contracts;
  - other outsourced service contracts with an estimated value exceeding £10m per year<sup>1</sup>; and
  - Critical Construction Contracts.
- (together "In-Scope Contracts").

### 6.3 Management

Prior to completing this section applicants should complete the relevant [Costings and Planning Workbook](#) - Table D – Milestones Delivery

<p><b>6.3.1</b> Please set out how you plan to deliver the bid (this should be a summary of your Delivery Plan). (1000 words)</p>	<p><b>Management and Governance Structure:</b></p> <p>The appended LUF project governance structure organogram outlines the governance structure which will be used by the Council to manage and monitor the delivery of the component projects of the bid (Appendix 22).</p> <p>The delivery of all projects will be managed by Redcar and Cleveland Borough Council's Place Development &amp; Investment (PDI) 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 Street capital regeneration project delivery. The PDI team will manage the project PM and QS and the Principle Designers. The Project PM manages the design team and reports to the PDI team. The design teams on all projects are architect led 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 22).</p> <p>As the appended governance organogram shows, the project will be managed by the Council's Delivery Project Managers who report to the Head of Place Investment (Appendix 23). The Head of Place Investment will provide a report on progress to the Tees Valley Combined Authority and Eston 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).</p> <p>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.</p> <p><b>Delivery Plan Summaries</b></p> <p>A summary of the delivery plan for each of the component</p>
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projects of the bid is provided below:

Project 1 – Eston Retail and Commercial Regeneration:

**Milestones:**

A summary of the key project milestones as per the appended programme (Appendix 13) are presented below:

- Site assembly completion – December 2022
- Planning application submission – April 2023
- Planning consent – July 2023
- Construction commencement – October 2023
- Practical completion – November 2024

**Consents:**

Full planning consent is required for the delivery of the Eston Precinct development. The Council will develop a planning application for the scheme alongside their appointed planning consultants, with submission of the planning application programmed for April 2023. Determination of the planning application is expected in July 2023. 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. A Section 80 demolition notice will be submitted followed by the planning application by the lead designer. Planning permission will be required and it is anticipated this would take 12 weeks to achieve with the decision making being wholly within the responsibility of the Local Planning Authority which is Redcar & Cleveland Borough Council.

**Stakeholder Engagement:**

Further stakeholder engagement will be undertaken with existing landowners and tenants to ensure that control of the site can be gained and minimise the risk of delays. Further public consultation will also be undertaken as part of the planning application development and determination process.

Project 2 – Eston Leisure Regeneration:

**Milestones:**

A summary of the key project milestones as per the appended programme (Appendix 14 for the Pool and 15 for the Recreation Ground) are presented below:

**Eston Pool:**

- Planning application submission – August 2022
- Planning consent – November 2022
- Enabling works (Demolition) Commencement – November 2022
- Main works construction commencement – March 2023
- Practical completion – March 2024

**Eston Recreation Ground (Appendix 15):**

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

**Consents:**

Full planning consent is required for the delivery of the new Eston Pool. The Council will develop a planning application for the scheme alongside their appointed planning consultants, with submission of the planning application programmed for August 2022. Determination of the planning application is expected in November 2022. 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. A Section 80 demolition notice will be submitted July 2022 followed by the planning application by the lead designer in August 2022. Once detailed design has reached a sufficient level then a building regulations application will also be submitted to the Local Authority.

Similarly, planning consent is required for the proposed improvement works to Eston Recreation Ground. The Council will develop a planning application for the scheme alongside their appointed planning consultants, with submission of the planning application programmed for September 2023. Determination of the planning application is expected in December 2023. 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. Planning permission will be required and it is anticipated this would take 12 weeks to achieve with the decision making being wholly within the responsibility of the Local Planning Authority which is Redcar & Cleveland Borough Council.

	<p><b>Stakeholder Engagement:</b></p> <p>Further stakeholder engagement and public consultation will also be undertaken as part of the planning application development and determination processes for both elements of the project.</p> <p><u>Project 3 - Eston Sustainable Transport Accessibility:</u></p> <p><b>Milestones:</b></p> <p>A summary of the key project milestones as per the appended programme (Appendix 20) are presented below:</p> <ul style="list-style-type: none"> <li>• Planning application submission – June 2023</li> <li>• Planning application determination – August 2023</li> <li>• Construction commencement – September 2023</li> <li>• Practical completion – February 2024.</li> </ul> <p><b>Consents:</b></p> <p>Full planning consent is required for the delivery of the Teesworks to Nunthorpe Active Travel Route. Early and ongoing engagement will be undertaken with Council planning and transport officers to ensure that the proposals are acceptable and minimise the risk of delays.</p> <p><b>Stakeholder Engagement:</b></p> <p>Further stakeholder engagement and public consultation will also be undertaken as part of the planning application development and determination processes for both elements of the project.</p>
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<p><b>6.3.2</b> Please demonstrate that some bid activity can be delivered in 2022-23.  (250 words)</p>	<p>Please confirm the plans for LUF project activity in 2022-23.</p> <p>Detailed project programmes for each of the component projects of the bid have been prepared and are appended to this bid (Appendices 13,14,15 and 20). The following LUF project activity is programmed to commence in the 2022-23 Financial Year.</p> <ul style="list-style-type: none"> <li>• Eston Precinct Site Assembly Acquisitions – completion anticipated in December 2022.</li> <li>• Eston Pool – site preparation and demolition works programmed to commence in October 2022, main construction works programmed to commence in</li> </ul>
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	March 2023.
<p><b>6.3.3 Risk Management:</b> Applicants are asked to set out a detailed risk assessment.</p> <p>(500 words)</p>	<p>Applicants are encouraged to submit a Risk Register to support their response to this question. This can be in any format but should provide sufficient information regarding clearly defined risks with impacts, owners, dates, mitigations and costs.</p> <p>In responding to this question applicants should set out a detailed risk assessment, covering all types of risks including, for example, environmental risks, health and safety, withdrawal of funding, potential partner disputes, legal risks, reputational, delivery etc. The risk assessment should demonstrate that all potential risks have been carefully considered and cover the whole project lifecycle.</p> <p>In particular risk assessments should cover:</p> <ul style="list-style-type: none"> <li>- the barriers and level of risk to the delivery of your bid</li> <li>- appropriate and effective arrangements for managing and mitigating these risks</li> <li>- a clear understanding on roles / responsibilities for risk management and reporting risk</li> </ul> <p>Please detail any key risks that you have identified as part of your risk assessment for this bid and details of mitigation measures. This should align with your risk register.</p> <p>For package bids, please set out the risk assessment and mitigations for each component project.</p> <p>A full, detailed risk register has been developed for each of the component projects within the bid. These are appended to this bid.</p> <ul style="list-style-type: none"> <li>• Eston Precinct – Appendix 13</li> <li>• Eston Pool – Appendix 14</li> <li>• Eston Recreation Ground – Appendix 15</li> <li>• Teesworks to Nunthorpe Active Travel Route – Appendix 20</li> </ul> <p>The risk registers identify the keys 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 toll through the delivery phases.</p> <p>The key risks identified by the risk registers are summarised below, alongside proposed mitigation measures and an identified risk owner/ manager:</p> <p><b>Project 1 – Eston Retail and Commercial Regeneration:</b></p>



- **Risk - Inflated construction costs increase the overall construction costs, affecting the project viability.**
  - Mitigation - this risk will be mitigated by ensuring that the scheme cost consultants Identity Consult review the cost estimates at regular intervals to ensure the cost estimates reflect latest available pricing information.
  - Risk Owner – Redcar & Cleveland Borough Council/ appointed contractor
- **Risk - LUF funding not secured which creates viability issues for the scheme**
  - 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.
  - Risk Owner – Redcar & Cleveland Borough Council.
- **Risk - Costs associated with the acquisition costs increasing due to difficult negotiations**
  - Mitigation - to mitigate this risk Avison Young will continue acquisition negotiations to confirm the acquisition costs as soon as possible. Once these are available, the scheme development appraisal will be updated to ensure that the scheme remains viable with the finalised acquisition costs.
  - Risk owner – Redcar & Cleveland Borough Council/ Avison Young
- **Risk - Potential anchors withdrawing their interest in occupation, impacting the potential occupiers list or the scheme.**
  - Mitigation – Avison Young to engage with market operators to minimise the potential for lack of interest.
  - Risk owner – Redcar & Cleveland Borough Council/ Avison Young
- **Risk - Scheme unsuccessful in obtaining planning permission.**
  - 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.
  - Risk owner – Redcar and Cleveland Borough Council/ planning consultant.

**Project 2 – Eston Leisure Regeneration:**

- **Risk - LUF funding not secured which creates viability issues for the scheme**
  - 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.
  - Risk owner – Redcar & Cleveland Borough Council
- **Risk - Construction cost increases/ overruns –**
  - Mitigation - An 8% 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.
  - Risk owner – Redcar & Cleveland Borough Council/ Contractor.
- **Risk – Detailed site and ground investigations are required and to confirm the view the pool is suitable to build on current location**
  - Mitigation – Further survey work to be undertaken if LUF is approved. This is considered to be low risk as the site is currently used for the existing leisure centre.
  - Risk owner – Redcar & Cleveland Borough Council.

**Project 3 – Eston Sustainable Transport Accessibility:**

- **Risk - LUF funding not secured which creates viability issues for the scheme**
  - 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.
  - Risk owner – Redcar & Cleveland Borough Council.
- **Risk - Construction cost increases/ overruns**
  - Mitigation - A 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.
  - Risk owner – Redcar & Cleveland Borough Council/ Appointed Contractor
- **Risk – Delays obtaining planning and other**

	<p><b>relevant consents</b></p> <ul style="list-style-type: none"> <li>○ 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.</li> <li>○ Risk owner – Redcar and Cleveland Borough Council/ planning consultant.</li> </ul>
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<p><b>6.3.4</b> Please provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature.</p> <p>Please explain if you are intending to sub-contract any of this work or if a third party is managing the project and not the organisation applying.</p> <p>(750 words)</p>	<p>Applicants should explain the roles and people involved in the core project team, and demonstrate they have the necessary skills, experience, and capabilities to support successful project delivery through all key stages of the project.</p> <p>Applicants should set out the measures they will put in place to address any capacity or capability gaps.</p> <p>Track record of delivering similar projects for example in terms of size, value, or complexity should be demonstrated. Applicants are encouraged to provide case studies.</p> <p>If a third party is managing the project and not the authority applying, the applicant should set out clearly in this section how this arrangement will work.</p> <p>Redcar &amp; Cleveland Borough Council will be the lead delivery organisation and accountable body for all of the component projects of this bid. This will be led specifically by the established Place Development &amp; 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.</p> <p>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</p>
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	<p>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.</p> <p>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.</p> <p>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 22). Overall responsibility for delivery will be held by Andrew Carter, Assistant Director G&amp;E, and Louise Anderson, Head of Place Development and Investment.</p>
<p><b>6.3.5</b> Please set out what governance procedures will be put in place to manage the grant and project.</p> <p>We will require Chief Financial Officer confirmation that adequate assurance systems will be in place.</p> <p><b>For large transport bids,</b> you should also reference your Integrated Assurance and Approval Plan, which should include details around planned health checks or gateway reviews.</p> <p>(750 words)</p>	<p>All applicants are required to describe what governance and assurance procedures will be put in place to manage the grant and project. This may include (but not limited to):</p> <ul style="list-style-type: none"> <li>- Delegated authority – including Project Board or Committee approvals</li> <li>- Financial controls</li> <li>- Audit</li> <li>- Counter fraud, corruption, and anti-bribery</li> <li>- Procedures to avoid Conflict of Interests</li> <li>- Cyber security, and data management</li> <li>- Code of conduct setting standards for ethical and professional behaviour.</li> </ul> <p>Applicants should also consider how to communicate and inform governance policy and procedures to partners working on the project, how progress will be reported and reviewed, and the involvement of the board and senior management in decision making.</p> <p>In responding to this question applicants are encouraged to refer to the <a href="#">HM Government Published Code of Conduct for Recipients of Government General Grants</a></p> <p><a href="#">For large transport bids, applicants must have an Integrated Assurance and Approval Plan. This should include details around planned health checks or gateway reviews.</a></p> <p><a href="#">Other bids may submit an Integrated Assurance and Approval Plan, if they have one. If not, they should set out their assurance and approval process here.</a></p>

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 22). 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 Eston 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.

**6.3.6** If applicable, please 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. You should also consider any ongoing maintenance and servicing costs.

Please note that these costs are not covered by the LUF grant.

(750 words)

Assets/facilities should provide value and be (financially) sustainable.

Applicants should set out how they 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.

Applicants should also consider any ongoing maintenance and servicing costs.

Examples of operational costs: utilities, systems, maintenance and repairs, staff & labour, administrative expenses etc.

Please note that these costs are not covered by the LUF grant.

**For cultural bids** that will require an organisation, local authority or other body to operate the resultant asset/ facility, please explain how that organisation will manage the asset/ facility in a long-term sustainable way to deliver value in line with those aims set out in the Case for Investment.

Where this applies, applicants will need to set out details of:

- A high-level description of the cultural and broader value being delivered (sometimes called “a “Cultural Mission Statement” or similar)
- A description of how people/audience groups will be encouraged to engage with the new asset over time (sometimes called an Audience Engagement Plan, or similar) with a particular focus on people with typically lower engagement levels.
- High-level activity plans
- Financial modelling (including Income and Expenditure budgets with explanation of income sources, any need for revenue funding/ fund-raising/development and strategies for achieving these)
- For significant cultural bids including those with a complex operational model you may wish to upload more information via a short additional attachment if you cannot supply everything within this word limit.

### **Project 1 – Eston Retail and Commercial Regeneration:**

Ownership of the completed Eston Precinct development will be retained by Redcar and Cleveland Borough Council. The Council will manage the operation of the completed facility. Indicative financial modelling of the projected operational costs and economic costs of the completed scheme has been undertaken by the Council’s consultants Identity Consult. The financial modelling shows that, once completed, the scheme will generate an operational surplus once it reaches a position

of maturity and therefore can be operated sustainably in the long term. Details of the indicative modelling undertaken to date are presented in Appendix 13.

### **Project 2 – Eston Leisure Regeneration:**

Freehold ownership of the completed Eston Pool will be retained by Redcar and Cleveland Borough Council. The Pool will be operated by Sports and Leisure Management (SLM), part of Everyone Active, as part of an existing lease arrangement with the Council for five other leisure centres in the Borough which is in place until 2032. There is no net operational cost to the Council as operating costs of the Pool will be funded by SLM through pool user revenues. It is anticipated that the Pool will generate at least a cost neutral revenue position once operational.

The ongoing maintenance costs of Eston Recreation Ground will be met by Redcar & Cleveland Borough Council through existing Council maintenance budgets set aside for the management of green spaces and recreation grounds within the Council's capital programme/medium term financial plan. However, 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 Recreation Ground and 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 Recreation Ground) is likely to be negligible. 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.

### **Project 3 – Eston Sustainable Transport Accessibility:**

The ongoing maintenance costs of the Teesworks to Nunthorpe Active Travel Route will be met by Redcar & Cleveland Borough Council through existing Council maintenance budgets within the Council's capital programme/medium term financial plan. The proposed active travel route will improve a number of routes already maintained by the Council and 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 and as above the net additional public sector revenue cost (over and above a do nothing no LUF scenario) is considered to be negligible as a result.

## 6.4 Monitoring and Evaluation

Prior to completing this section please complete the relevant [Costings and Planning Workbook](#) - Table E – Monitoring and Evaluation

<p>6.4.1 Monitoring and Evaluation Plan: Please set out proportionate plans for monitoring and evaluation.  (1000 words)</p>	<p>Applicants should refer to <a href="#">Annex E in the Technical Note</a> and explain what their plans are for meeting the monitoring and evaluation (M&amp;E) requirements of the Fund, as well as meeting their own ambitions for learning, and determination of impact, at the local level.</p> <p>This plan should cover:</p> <ul style="list-style-type: none"><li>○ Aims of the bid level monitoring and evaluation, including key evaluation and learning questions to be answered, aligned with bid objectives and Theory of Change</li><li>○ Key components and deliverables of the bid level monitoring and evaluation (e.g., process and impact evaluations; interim and final reports) and how these will be used and disseminated to maximise learning</li><li>○ Outline of the approach to the bid level monitoring and evaluation, including how it will be ensured that data is collected in an accurate and timely manner, and how this data will be used in the evaluation of the bid</li><li>○ Governance arrangements and resourcing for bid level monitoring and evaluation, including key personnel/organisations and budgets</li><li>○ Summary of key outputs, outcomes and impacts, informed by bid objectives and Theory of Change</li><li>○ M&amp;E activities should be included in Table E in the relevant <a href="#">Costings and Planning Workbook</a></li></ul> <p>Evaluation plans should be proportionate to the size and complexity of the project to be delivered.</p> <p>For large projects, applicants should seek to address complex queries (e.g. attribution of impact).</p> <p>M&amp;E plans can include multiple approaches, aligned to the different phases of the project being delivered.</p> <p>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 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 in accordance with the targets set out within the M&amp;E tab in the appended LUF workbook. This will also ensure that learning in respect of the project is shared to improve the management of future project</p>
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and programme delivery.

The below summaries the objective of the Monitoring and Evaluation alongside proposed research questions for each element of the bid:

**Project 1 – Eston Retail and Commercial Regeneration:**

*M&E Objective – To determine whether the Eston Precinct development has been delivered as proposed:*

- Proposed research questions:
  - Do the end scheme costs incurred align with cost estimates at this stage?
  - Has the retail and leisure floorspace been delivered?
  - Have the associated public realm works been delivered?

*M&E Objective – To determine whether the economic outcomes of the Eston Precinct development have been realised:*

- Proposed research questions:
  - Have new retail and leisure occupiers been attracted to Eston?
  - Have vacancy rates on the wider Eston High Street been reduced?
  - Has the new development resulting in increased footfall and dwell time?
  - Have property values in the local area increased as a result of the scheme?
  - Have the works resulted in a more diverse retail offering and increased night-time economy offer (monitoring of new businesses and opening hours)?

**Project 2 – Eston Leisure Regeneration:**

*M&E Objective – To determine whether the Eston Leisure Regeneration project has been delivered as proposed:*

- Proposed research questions:
  - Do the end scheme costs incurred align with cost estimates at this stage?
  - Has the new Eston Pool been delivered?
  - Have the Eston Recreation Ground improvement works been delivered?

*M&E Objective – To determine whether the economic and health/wellbeing outcomes of the Eston Leisure Regeneration project been realised:*

- Proposed research questions:
  - Have user numbers of the new Eston Pool increased?
  - Have exercise levels in Eston's population been increased?
  - Have satisfaction and usage levels of Eston Recreation Ground increased?
  - Have obesity rates in Eston's population been reduced?

**Project 3 – Eston Sustainable Transport Accessibility:**

*M&E Objective – To determine whether the Teesworks to Nunthorpe Active Travel Route has been delivered as proposed:*

- Proposed research questions:
  - Do the end scheme costs incurred align with cost estimates at this stage?
  - Has the active travel route been delivered as proposed (kms of route delivered)?

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

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

Key deliverables that will be monitored include:

**Inputs:**

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

**Outputs:**

- Eston Retail and Commercial Regeneration –
  - Delivery of 2,787 sqm (30,000 sq ft) of new retail/ leisure floorspace.
  - Delivery of public realm/ landscaping around the new retail centre.
- Eston Leisure Regeneration –

- Delivery of the new 25m, 6 lane Eston Pool.
- Delivery of significant improvements to the 28 ha Eston Recreation Ground to enhance it as a key leisure and amenity asset.
- Eston Sustainable Transport Accessibility –
  - Delivery of a new 7.2km sustainable active travel route from Teesworks to Nunthorpe, with spurs linking to the new Eston Pool and Eston Precinct.

**Outcomes:**

- Reduction in high street retail voids
- Attraction of new, higher quality retails to Eston
- Increase in footfall
- Uplift in land and property values in Eston Town Centre
- Increase in dwell time
- Increase in spend per visit
- Diversification of Eston's retail and leisure offer
- Increased levels of physical activity in Eston's population
- Increased pedestrian and cycling accessibility and increased walking and cycling
- Lower obesity levels and other health and wellbeing benefits
- Increase access to employment opportunities at Teesworks and the wider Borough.

**Impacts:**

- A more attractive and sustainable local centre in Eston
- Improved health and wellbeing amongst Eston's population
- Catalytic impacts on wider regeneration activity

Subject to the approval of MHCLG 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 MHCLG 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.

	<p>Our approach to monitoring of KPIs, milestones and wider benefits capture also includes:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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;</li> <li>• Tasking the programme manager with overall responsibility for benefits capture with responsible owners to be identified against each indicator below this;</li> <li>• Alerting works teams/contractors to the benefits they are responsible for realising and how evidence will need to be captured;</li> <li>• Having clear overall programme monitoring and evaluation approaches;</li> <li>• Reviewing progress against benefits indicators as part of project meetings and agreeing remedial actions in the event of performance below target; and</li> <li>• Completing a benefits register, updated as necessary on a rolling basis.</li> </ul>
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## Part 7 Declarations

<b>7.1 Senior Responsible Owner Declaration</b>
Please complete <a href="#">pro forma 7</a> Senior Responsible Owner Declaration.
<b>7.2 Chief Finance Officer Declaration</b>
Please complete <a href="#">pro forma 8</a> Chief Finance Officer Declaration.
<b>7.3 Data Protection</b>

Please note that the Department for Levelling Up, Housing and Communities (DLUHC) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to DLUHC.

The Department, and its contractors, where relevant, may process the Personal Data that it collects from you as part of your application to the Levelling Up Fund, in accordance with its privacy policies. The Department will use the Personal Data provided to contact you, if needed, as part of the assessment, selection and/or monitoring process.

For the same purposes, the Department may need to share your Personal Data with other government departments (OGDs), their Arm's Length Bodies and contractors, where relevant, and departments in the Devolved Administrations, and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

You can find more information about how the Department deals with your data [here](#).

## 7.4 Publishing

When authorities submit a bid for funding to the UK Government, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, if the bid is successful they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of the successful bids by UK Government. UK Government reserves the right to deem the bid as non-compliant if this is not adhered to.

Please tell us the website where this bid will be published:

The bid will be published on the Council's website at <http://www.redcar-cleveland.gov.uk>

## ANNEXES A – C: PROJECT SUMMARIES

These should be completed individually for each component within a **package bid**.

<p>Please use Annexes A – C to provide detail on each component project of a package bid. A package bid can have up to 3 component projects.</p>	<p>For each component project please complete this form e.g., annex a would be details for component one, annex b for component two and annex c for the third package component.</p>
<p>A1. Project Name:</p>	<p>Please provide the name of the project component.</p>
<p>A2. Please provide a short description of this project (100 words maximum)</p>	<p>Please provide a short description of this project component.</p>
<p>A3. Please provide a more detailed overview of the project and how this project aligns with the other projects in the package bid, representing a coherent set of interventions. (250 words)</p>	<p>Please set out a more detailed overview of the project component and how this project aligns with the other projects in the package bid, representing a coherent set of interventions.</p>
<p>A4. Please provide a short description of the area where the investment will take place. If complex (i.e., containing multiple locations/references) please include a map defining the area with references to any areas where the LUF investment will take place.</p> <p><b>For transport projects</b> include the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g., development sites, areas of existing employment, constraints etc. (250 words)</p>	<p>Please describe the area where this project component will take place. Maps / GIS files can be included where the area is across multiple locations.</p> <p>For transport projects please demonstrate the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g., development sites, areas of existing employment, constraints etc.</p>
<p>A5. Please confirm where the investment is taking place (where the funding is being spent not the applicant location or where the project beneficiaries are located).</p> <p>If the project is at a single location please confirm the postcode and grid reference for the location of the investment.</p> <p>If the project covers multiple locations please provide a GIS file. If this is unavailable please list all the postcodes/coordinates that are relevant to the investment.</p>	<p>Please provide confirmation of the exact location the investment is taking place e.g. post code, grid reference etc.</p> <p>If the project is at a single location please confirm the postcode and grid reference for the location of the investment.</p> <p>If the project covers multiple locations please provide a GIS file. If this is unavailable please list all the postcodes/coordinates that are relevant to the investment.</p> <p><b>For all projects</b>, please confirm in which constituencies and local authorities the</p>

<p><b>For all projects</b>, please confirm in which constituencies and local authorities the project is located. Please confirm the % investment in each location.</p>	<p>project is located. Please confirm the % investment in each location.</p>
<p>A6. Please confirm the total grant requested from LUF (£)</p>	<p>Please confirm the total amount of LUF funding (£) requested for this individual project component.</p>
<p>A7. Please specify the proportion of funding requested for each of the Fund's three investment themes:  a) Regeneration and Town Centre %  b) Cultural %  c) Transport %</p>	<p>Please specify the proportion of funding requested for each of the Fund's three investment themes:  a) Regeneration and Town Centre %  b) Cultural %  c) Transport %</p>
<p>A8. Please confirm the value of match funding secured for the component project.</p> <p>Where funding is still to be secured please set out details below. If there are any funding gaps please set out your plans for addressing these.  (250 words)</p>	<p>This section should provide details of all the sources of match funding within your bid.</p> <p>Where funding is still to be secured please set out details. If there are any funding gaps please set out your plans for addressing these.</p>
<p><b>A9. Value for Money</b></p> <p>Please set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, applicants should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment.  (500 words)</p>	<p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, applicants should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment.</p>
<p>A10. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be provided at Question 5.5 in the main</p>	<p>It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then</p>



<p>application. If it is not possible to provide an overall BCR for your package bid, please explain why. (250 words)</p>	<p>the application should include a clear explanation of why not.</p>								
<p>A11. Where available, please provide the initial and adjusted BCR for this project:</p> <table border="1" data-bbox="204 483 662 566"> <tr> <td data-bbox="204 483 459 528">Initial BCR</td> <td data-bbox="459 483 662 528"></td> </tr> <tr> <td data-bbox="204 528 459 566">Adjusted BCR</td> <td data-bbox="459 528 662 566"></td> </tr> </table>	Initial BCR		Adjusted BCR		<p>Where available, please provide the initial and adjusted BCR for this project:</p> <table border="1" data-bbox="794 450 1246 533"> <tr> <td data-bbox="794 450 1043 495">Initial BCR</td> <td data-bbox="1043 450 1246 495"></td> </tr> <tr> <td data-bbox="794 495 1043 533">Adjusted BCR</td> <td data-bbox="1043 495 1246 533"></td> </tr> </table>	Initial BCR		Adjusted BCR	
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<p>A12. Does your proposal deliver non-monetised benefits? Please set out what these are and a summary of how these have been assessed. (250 words)</p>	<p>Please set out the non-monetised benefits, describing what these are and provide a summary of how these have been assessed.</p>								
<p>A13. Does this project include plans for some LUF grant expenditure in 2022-23?</p>	<p>Please confirm the plans for LUF grant expenditure in 2022-23 for this component project. It is a requirement for at least one component within a package bid to defray grant in 2022-23.</p>								
<p>A14. Could this project be delivered as a standalone project or does it require to be part of the overall bid?</p>	<p>Please set out if this project could be delivered as a standalone project rather than part of a package bid.</p>								
<p>A15. Deliverability: Please demonstrate that project activity can be delivered in 2022-23?</p>	<p>Please confirm the plans for LUF project activity in 2022-23 for this component project. It is a requirement for at least one component within a package bid to undertake project activity in 2022-23.</p>								
<p><b>Statutory Powers and Consents</b></p>									
<p>A16. Please list separately each power / consents etc. obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.</p>	<p>In relation to this component project, please list separately each power / consent obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Key dates should also be referenced in your project plan.</p>								
<p>A17. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.</p>	<p>Please list separately any outstanding statutory powers / consents etc. relating to this component project and include the timetable for obtaining them.</p>								

## Attachment Checklist

Where possible, please zip attachments under the headings provided to reduce the number of attachments being uploaded. Applicants will not be able to submit more than 25 annexes in total. Zipped files will however be accepted. We cannot accept embedded links or file sharing, and information submitted in this way will not be considered.

### 1: Workbook

<p>Have you completed the <a href="#">Costings and Planning Workbook</a>? Y/N</p> <p>For package projects please complete the <a href="#">Costings and Planning Workbook for package bids</a></p>	<p>If N, your bid will not be assessed as LUF grant spend in 2022/23 needs to be demonstrated via the <a href="#">workbook</a>.</p> <p>Y</p>
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### 2: Northern Ireland: Gateway for non-public sector applicants

<p>For NI non-public sector applicants:</p> <p>Have you attached audited financial statements covering the last three financial years (or audited annual accounts for registered charities)? Y/N</p> <p>For joint bids with non-public sector partners, financial statements/accounts will be required from partners and applicants (if applicable).</p>	<p>If N, your bid will not be assessed.</p> <p>N/A</p>
<p>For NI non-public sector applicants:</p> <p>Have you provided evidence of experience of delivering two capital projects of similar size and scale in the last five years?</p> <p>For joint bids with non-public sector partners, evidence will be required from partners and applicants (if applicable).</p>	<p>If N, your bid will not be assessed.</p> <p>N/A</p>

### 3: Evidence of Support – Transport Bids

<p>For applicants using their transport allowance: Have you attached <a href="#">pro forma 1</a> from the relevant authority with statutory responsibility for transport? Y/N</p>	<p>If N, your bid will not be assessed</p> <p>N/A</p>
<p>For large transport bids (£20M - £50M): Have you attached <a href="#">pro forma 1</a> from the relevant authority with statutory responsibility for transport? Y/N</p>	<p>If N, your bid will not be assessed</p>

	N/A
For NI applicants submitting transport projects: Have you attached <a href="#">pro forma 4</a> from the Northern Ireland	
Executive and relevant local council with responsibility for transport? Y/N	<b>If N, your bid will not be assessed</b>  N/A
<b>4. Evidence of Support - Joint Bids</b>	
For Joint Bids in England, Scotland, and/or Wales: Have you attached <a href="#">pro forma 2</a> evidencing support of participating local authorities organisations? Y/N	<b>If N, your bid will not be assessed</b>  N/A
For Joint Bids in Northern Ireland: Have you attached <a href="#">pro forma 3</a> evidencing support of participating organisations? Y/N	<b>If N, your bid will not be assessed</b>  N/A
<b>5: Evidence of MP formal priority support</b>	
For bids in England, Scotland, and/or Wales only: Have you attached <a href="#">pro forma 6</a> : MP formal priority support for this bid? Y/N	Y
<b>6: State Aid/Subsidy</b>	
For all non-public sector applicants delivering in Northern Ireland:  Have you attached independent legal advice that is aligned to your response in this section and verifies that the award of funds considered to be UK subsidy control regime compliant? Y/N	<b>If N, your bid will not be assessed</b>  N/A
For public and private sector applicants for delivery in Northern Ireland only: if the direct award of funds from UK Government is considered to be state aid under the four EU state aid rule tests and is funded under an exemption based on the <a href="#">General Block Exemption Regulations (651/2014)</a> , and does not falls within the scope of Regulation 6(5).  Have you attached a document to demonstrate incentive effect in line with Regulation 6(2)? Y/N	<b>If N, your bid will not be assessed</b>  N/A

For non-public sector applicants for delivery in Northern Ireland only:  Have you attached independent legal advice that is aligned to your response in this section and verifies that the award of funds considered to be State aid compliant? Y/N	<b>If N, your bid will not be assessed</b>  N/A
For all public authorities in England, Scotland and Wales only, disbursing funds as a potential subsidy to third parties.	<b>If N, your bid will not be assessed</b>  Y

Have you attached <a href="#">pro forma 5</a> : statement of compliance relating to subsidy signed by your Chief Finance Officer? Y/N	Y
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### 7: GIS Files

Have you attached a GIS file (this is recommended for projects that cover multiple locations)? Y/N	Y
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### 8: Maps and Drawings

Have you attached a map defining the area with references to any areas where the LUF investment will take place? Y/N	Y
Have you attached any drawings/plans to support your bid? Y/N	Y

### 9: Strategic Fit

Have you attached evidence of stakeholder engagement (letters of support, for example)? Y/N	Y
Have you provided an Option Assessment Report (OAR)? Y/N	N/A as not a transport bid
Have you attached a Theory of Change? Y/N	Y

### 10: Economic Case for Investment

Have you attached an explanatory note explaining how the Benefits-Cost Ratio (BCR) has been calculated? Y/N	Y
For transport bids: Have you attached an Appraisal Summary Table? Y/N	n/A

<p>Have you provided additional documents to support the Economic Case (section 5)? Y/N</p> <p>For transport bids, applicants should provide specific appraisal output spreadsheets where relevant, including <a href="#">Active Mode Appraisal Toolkit</a>, <a href="#">Local Highways Maintenance Appraisal toolkit</a>, <a href="#">Small Scheme Appraisal toolkit</a> or transport user benefit appraisal (TUBA) outputs.</p>	Y
<b>11: Deliverability</b>	
<p>Have you appended copies of confirmed match funding? Y/N</p>	Y
<p>The UK Government may accept the provision of land from third parties as part of the local contribution towards scheme costs.</p> <p>Have you attached evidence in the form of a letter from an independent valuer to verify the true market value of the land? Y/N</p>	N/A
<p>Have you attached a Delivery Plan Y/N</p>	Y
<p>Have you attached evidence relating to statutory consents/land ownership and/or acquisition? Y/N</p>	Y
<p>Have you attached an Integrated Assurance and Approval Plan? Y/N</p>	N/A as not a transport bid
<p>Have you attached a copy of your Risk Register? Y/N</p>	Y
<p>For cultural bids, have you attached a document to set out how you will sustainably manage your asset/facility in the long term? Y/N</p>	N/A
<b>12: SRO and CFO Bid Declarations</b>	
<p>Have you attached <a href="#">pro forma 7</a>: SRO declaration? Y/N</p>	<p><b>If N, your bid will not be assessed</b></p> <p>Y</p>
<p>Have you attached <a href="#">pro forma 8</a>: CFO declaration? Y/N</p>	<p><b>If N, your bid will not be assessed</b></p> <p>Y</p>
<b>13: Business Case</b>	

Have you attached an outline or full business case?  
Y/N

N