

RUTLAND HEALTH AND WELLBEING BOARD

12 July 2022

LEVELLING UP FUND (LUF) GRANT APPLICATION APPROVAL

Report of the Leader of the Council

Strategic Aim:	Delivering Sustainable Development	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor L Stephenson, Leader of the Council and Portfolio Holder for Policy, Strategy, Partnerships and Economy	
Contact Officer(s):	Penny Sharp Strategic Director for Places	psharp@rutland.gov.uk
	Angie Culleton Interim Head of Safe and Active Public Realm	aculleton@rutland.gov.uk
	Mike Slater Interim Head of Sustainable Economy and Place	m Slater@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Board:

- 1) Notes the submission of a joint application by Rutland County Council and Melton Borough Council for Round 2 of Levelling Up Funding, in line with the Councils Constitution Financial Procedure Rules.
- 2) Notes that the joint application was submitted on the basis that a detailed discussion regarding funding including any ongoing financial implications would be required should the Council be successful in securing the bid. Any discussions would result in a Full Council decision to accept or reject funding offered.

1 PURPOSE OF THE REPORT

- 1.1 The report sets out the rationale for the bid and the benefits to the residents of Rutland in terms of rural connectivity, enhanced cultural offer, town centre regeneration and the economic opportunities presented by the Levelling Up proposition.

- 1.2 Feedback from the Department for Transport on our recent unsuccessful Bus Service Improvement Plan (BSIP) and Enhanced Partnership bid encouraged applications for funding to support the BSIP from other funding streams and named round two of the Levelling Up Fund as an alternative which can support investment in aspects of BSIP.
- 1.3 The bid will create a new transport interchange called a Mobi-Hub and improve the public transport offer as outlined in the BSIP including the establishment of a system of demand responsive transport across Rutland and Melton; a medi-tech centre in Oakham and the development of a digitised heritage interpretation of the Rutland Roman Villa and Ichthyosaur.
- 1.4 The report details the joint bid application for Levelling Up Funding to support regeneration of the town centre economy, deliver improved transport connectivity and an enhanced cultural offer.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The second round of the Levelling Up Fund will focus on the same three investment themes as the first round:
 - 2.1.1 **Local transport projects that make a genuine difference to local areas:** Proposals for high impact travel schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth, and improve the safety, security, and overall experience of transport users.
 - 2.1.2 **Town centre and high street regeneration:** Proposals are expected to upgrade eyesore buildings and dated infrastructure; acquire and regenerate brownfield sites; invest in secure community infrastructure and crime reduction; and bring public services and safe, accessible community spaces into town and city centres.
 - 2.1.3 **Support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets:** Funds will look to support cultural investment maintaining, regenerating, or creatively repurposing existing cultural, creative, heritage and sporting assets, or creating new assets that serve those purposes including theatres, museums, galleries, production facilities, libraries, visitor attractions (and associated green spaces), sports and athletics facilities, heritage buildings and sites, and assets that support the visitor economy.
- 2.2 The joint proposition with Melton BC will include town centre regeneration of the two town centres of Oakham and Melton and the third component will be for a high impact travel scheme, through the provision of a new mobi-hub and improvements to the rural public transport network, connecting the four main market towns of the area. This will support economic growth and encourage modal shift, reducing pressure on car parking in Oakham Town Centre and Rutland memorial hospital.
- 2.3 The deadline for submission of second round Levelling Up Funding bids was 6 July 2022 and must be signed off by the MPs for the areas they cover. Local authority areas are grouped according to a detailed need ranking.
- 2.4 Whilst a joint bid covering Rutland and Melton could seek capital resources to deliver focused regeneration activities up to a total of £40 million, given that Rutland County is in the tier two ranking (second priority) circa £12m-£15m would be a more realistic level for Rutland. This is based on stretching a modest bid (in the order of

50% of the maximum funding) flexed upwards to take account of feedback on the recent BSIP (Bus Service Improvement Partnership) that Levelling Up would be a good source of alternative funding for the proposals submitted therein. Alicia Kearns is the Conservative MP for both Rutland and Melton.

2.5 The Rutland Proposal

2.5.1 Rutland is not a priority one area and it is externally perceived to be wealthy which makes it difficult to achieve funding through a competitive process, where part of the focus is on deprivation. A detailed evidence base (Appendix A) has been collated however and has surfaced a number of key features (many in common with Melton – co-bidding authority) which enable the development of a distinctive narrative:

- Health inequalities linked to a high proportion of vulnerable older people
- Challenging health and economic outcomes for women, with wages significantly lower than the national and regional average and a lower rate of healthy life expectancy than the national average
- Declining business competitiveness in terms of the area's ranking on the national index
- Nationally significant numbers of veterans a proportion of whom face mental health and physical health problems
- Key factors from all four issues above combine to put Rutland in the lowest 10% of all local authorities in the most recent social mobility index
- These challenges are all overlain by a low level of access to services driven by the rural nature of the area

2.6 The bid seeks to address these challenges through concentrating on health as an economic sector and transport as a key enabling tool. It seeks to leaven these impacts further by introducing an investment package linked to recognising the additional focus and opportunity offered by Rutland's cultural and heritage assets in round 2 of Levelling Up.

2.7 Three areas of Investment

2.8 **Transport** – implementation of the BSIP proposals (c£3 million) and a new transport hub based on an innovative concept, which links economic activity to a traditional bus depot function called a mobi-hub (c£2.5 million) will form one theme of the bid. Three options for the location of the mobi-hub are currently in train: the current bus depot site, the C&M Tractors site on Station Approach and part of the current site at Rutland Memorial Hospital. This project will enhance access to the Town Centre for all categories of people, making it more viable through enhanced footfall and as a consequence of the compact nature of the town centre creating mutually supporting links with the Health Innovation Centre and the Museum.

2.8.1 The Mobi-hub and demand responsive transport elements of the proposal provide the opportunity to connect the market towns of Oakham, Uppingham and Melton Mowbray, with further links to Stamford. This will build the critical mass of the area as a functioning economic geography, harnessing the collective “economic heft” of 150,000 people. This will enable the area, through enhanced public transport to

have a more flexible workforce and open up access to its town centres, thus increasing footfall and developing the local economy.

- 2.8.2 The recently approved BSIP for Rutland makes proposals for improvement which are not currently funded. The Levelling Up Fund bid offers the potential to fund key elements of the BSIP, particularly to encourage usage of public transport through an improvement bus service offer and two pilot decarbonisation schemes, to pilot electric town centre 'hopper' services and to pilot electric community transport. The full BSIP is detailed in Appendix B and the bid application will include as much as possible that is appropriate to be addressed through Levelling Up funding.
- 2.9 **Health Innovation Centre** – creation of a DigiTech/MediTech and clinical innovation centre operating as a managed workspace facility (c£6 million). Development options of the DigiTech Centre are being scoped at the Kings Centre and at Rutland Memorial Hospital, (RMH). This Health Innovation Centre will involve the creation of c10,000 square footage of lab and office space. It will create scope for field trials by a wide range of medi-tech businesses and could host up to 10 new medi-tech themed businesses. It will drive additional footfall into the town centre, particularly if it is located at the RMH. Based on very detailed assessment of current innovation opportunities and informed by the Mablethorpe Centre for Future Living (an £8.3 million Town Fund investment in medi-tech, which has been rigorously tested through formal Town Fund appraisal), this development will deliver major economic development and generate a long-term surplus for the operation and the owner of the asset. It is proposed that the Council will own the building and let a contract for the operation of the facility to a third party with a track record in DigiTech.
- 2.9.1 The creation of a health innovation and medi-tech centre in Oakham will give opportunities for people to have improved treatment through the availability of cutting edge internationally significant technology and pharmaceutical products. It will bring a distribution of new high skill, high wage jobs linked to the health and digital sectors, building the ability of the GP practice and current hospital facilities in Oakham to attract more staff. The development will also provide partnering opportunities to engage local Higher Education providers through the centre in the provision of learning placements and research in Oakham and more widely across Rutland.
- 2.10 **Digital interpretation of Rutland's heritage assets;** The final element of the bid opens up the opportunity to maximise the economic potential of the internationally significant heritage assets of Rutland. The bid will offer the opportunity to create a mobile facility to digitise and display the Rutland Ichthyosaur and key aspects of the recently discovered Rutland Roman villa. (c£3million), hosted at the museum. Both these recent finds are internationally significant. They provide the potential to significantly increase the footfall not just to the museum but to Oakham as a whole. They will benefit from the location which is already a southern gateway in the town for access to Rutland Water. This aspect of the project will also potentially enhance the hospitality sector in terms of local jobs associated with enhanced heritage interest in the area.
- 2.11 The location of the investments in Oakham town centre (with links to Uppingham via the mobi-hub and demand responsive transport component of the bid) fits all three components of the bidding themes. It responds to 1) the Town and High Street Regeneration theme of the Levelling Up opportunity in relation to the new Medi-tech Centre by bringing public services and safe accessible community space into town

and city centre 2) in relation to the mobi-hub and demand responsive transport element by addressing the local transport theme and 3) through the heritage component to the heritage theme.

2.12 Architects and Quantity Surveyance Services to provide plans and costings for the Health Innovation Centre and the Mobi-Hub options have been appointed.

2.13 The bidding timeframe was challenging with a deadline for submission of 6th July. A Gantt chart setting out the key dates and milestones for the bid is attached at Appendix C.

3 LOCAL BENEFITS TO RUTLAND

3.1 Social and health benefits

3.1.1 Health benefits from the investment in a health innovation and medi-tech centre will help to address the existing health inequalities linked to a high proportion of vulnerable older people, veterans and outcomes for women in terms of lower rate of healthy life expectancy identified in the evidence base. The creation of a health innovation or medi-tech centre in Oakham will give opportunities for these people to have improved treatment through the availability of cutting edge internationally significant technology and pharmaceutical products. The new Centre will provide improved recruitment ability for the GP practice and current hospital facilities in Oakham to attract more staff, again benefiting local residents.

3.1.2 Bus Service Improvements and the mobi-hub will enhance access to the town centre of Oakham for many residents of Rutland. This increased connectivity, will enhance opportunity for residents from our community to connect, to access local hospitality sector and visit a new and mobile cultural offer to show case the recent historical finds in Rutland. Through improvements to be delivered through the BSIP, services will become more accessible and equitable and have a positive impact on those with protected characteristics.

3.1.3 Improvements within the BSIP are likely to improve health and wellbeing in the following ways: Reducing social isolation by ensuring all parts of the county have access to a bus service; improving access to employment opportunities and services such as shops and healthcare; and improving wellbeing by providing improved access to transport for social activities.

3.1.4 Social and cultural benefits will be realised from increased access to the high-impact digital interpretation of the historically significant finds from 2021-22 via the mobile facility and in Oakham when it is hosted at the museum.

3.2 Economic benefits

3.2.1 The LUF bid provides clear and strong economic benefits to both the county town of Oakham and to the wider, mainly rural, community of Rutland. The proposed new midi-tech facility at Oakham will support the creation of new high value, high growth potential, businesses specialising in health and digital services. It would be an anchor for the development digital skills, activity and new businesses in the town of Oakham. It is envisaged that the establishment of the medi-tech facilities companies would attract high calibre health clinicians to locate to the town in order to gain professional experience - including work on clinical trials - which may not be available in other locations.

- 3.2.2 The mobi-hub would bring much improved connectivity between the county town of Oakham and its mainly rural hinterland. It would enhance access to the town centre of Oakham for many residents of Rutland bringing increased footfall to the benefit of town centre retail, hospitality and service businesses.
- 3.2.3 Together, the provision of the new mobi-hub at Oakham and the proposed investment in the rich cultural assets of Rutland would enhance the attraction of Oakham for residents and visitors from outside the county bringing increased footfall to the town centre, enhancing both retail and hospitality sectors of the local economy.

3.3 Environmental benefits

- 3.3.1 Elements outlined in the BSIP will encourage usage of public transport and modal shift away from car dependency. If additional funding is received, two pilot decarbonisation schemes, to pilot electric town centre 'hopper' services and to pilot electric community transport can be undertaken to investigate the impact on greenhouse gas emissions reduction and reduction of air pollution.

4 CONSULTATION

- 4.1 Consultation is a key element of the bid. The application will demonstrate community consultation through reference to Future Rutland conversations.
- 4.2 Support from the local MP was key to a successful bid and this was planned to take place prior to the bid submission on 6th July. Tourism and Medi-Tech are both priority themes for Greater Lincolnshire LEP Strategic Economic Plan (SEP) and we have initiated a dialogue with the organisation to engage their support.
- 4.3 Following a 28-day Operator Objection period, during which no objections were received, public consultation was opened on the Enhanced Partnership (EP) Plan and Scheme that support the BSIP. The statutory consultation ran for 4 weeks, between 23rd February 2022 and Wednesday 23rd March 2022.
- 4.4 The majority of feedback received provided positive support generally, but also with regards to the vision and the ability of our EP approach to deliver our objectives. There was good level of support for the obligations on bus operators and RCC as well as the Governance arrangements.

5 ALTERNATIVE OPTIONS

- 5.1 Not to bid
- 5.2 If unsuccessful, then to bid to other alternative funding streams as the opportunity becomes available

6 FINANCIAL IMPLICATIONS

6.1 Council Financial Contributions

- 6.1.1 It is possible to bid for 100% funding from Levelling Up. There is an expectation that up to 20% of funding would be provided by the bidder. This is a capital funding only bidding opportunity.

- 6.1.2 In view of the position of Rutland in tier 2 of eligibility it is highly unlikely that a 100% funding request from the Council will succeed. Match funding has not yet been identified at this stage, although parallel discussions are in train concerning the museum repurposing with £1.75m to be sought from the National Lottery Heritage Fund, and £0.25m from Rutland County Council developer contributions.
- 6.1.3 Match funding, which must be a cash contribution, will be investigated and identified during the bid preparation process. Potential funding still to be explored includes the Local Transport Plan (LTP) allocation and UK Shared Prosperity Funding.

6.2 Ongoing Capital and Revenue Implications

- 6.2.1 There will be revenue requirements associated with the running of the mobi-hub in the same way as our existing bus station. The medi-tech facility will cover running costs through the letting of commercial space and will provide the potential for the Council to generate a net surplus. In addition to these two new facilities there are also operational costs associated with the operation of the digital display at the museum which are again being formally worked through as part of project development process.

6.3 Conditions of Funding

- 6.3.1 Funding conditions will follow the standard format for Government Regeneration grant support. We are currently commissioning subsidy control advice to ensure our approach avoids breaching competition regulations.

6.4 Acceptance of Funding

- 6.4.1 If the Council is successful, then the acceptance of funding would be a matter for Full Council. The submission of a bid does not compromise the Council's future decision making on this matter.
- 6.4.2 The Council recognises that further information will be required around the business case and funding. We anticipate having that information available should the bid be successful.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 7.1 If successful, appropriate governance arrangements for the delivery of the levelling up projects will need to be established to align to government guidance and the Council's decision-making arrangements as set out in the Constitution.

8 DATA PROTECTION IMPLICATIONS

- 8.1 A Data Protection Impact Assessments (DPIA) has been completed. No adverse or other significant risks/issues were found. A copy of the DPIA can be obtained from Angie Culleton.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 The bid seeks to level up health inequalities, improve connectivity for all and increase diversity in access to the cultural offer in Rutland. An equality impact screening assessment form (EISA) has been completed. A copy of the EISA can be obtained from Angie Culleton, Interim Head of Safe and Active Public Realm.

10 COMMUNITY SAFETY IMPLICATIONS

- 10.1 The existing bus station has experienced incidents of anti-social behaviour and vandalism. The mob-hub proposition will reduce the risk of anti-social behaviour, through increased usage and better design.
- 10.2 The BSIP outlines improvements to both buses and waiting areas which would lead to increased safety and perception of safety.

11 HEALTH AND WELLBEING IMPLICATIONS

- 11.1 Substantial progress has been made with health partners in scoping out their support for the medi-tech element of the approach. They have identified that the project fits the context and priorities outlined in the Rutland Health and Wellbeing Strategy 22-27 and future Healthcare plan for Rutland.

12 ORGANISATIONAL IMPLICATIONS

12.1 Environmental implications

- 12.1.1 The BSIP and pilot decarbonisation pilot schemes offer an opportunity to improve the Council's environmental performance through reduction in carbon emissions, reduced car usage and use of alternatively fuelled transport.

13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 13.1 The report sets out the rationale for the joint bid and has outlined the main components of the overall joint submission namely, town centre regeneration for Oakham and Melton Mowbray and an enhanced transport offer. It seeks comments about the joint bid and outlines financial implications in terms of funding conditions, revenue implications and match funding requirements.
- 13.2 Given that Rutland County is in the tier two ranking (second priority) a bid of circa £12m-£15m would be a realistic level for Rutland, considering the inclusion of the BSIP elements for improved bus services encouraged by the DfT. The deadline for second round Levelling Up Funding bids submission was the 6th July 2022.
- 13.3 The Rutland proposition will create a new transport interchange called a Mobi-Hub in Oakham and improve the public transport offer as outlined in the BSIP including the establishment of a system of demand responsive transport across Rutland and Melton; a medi-tech centre in Oakham and the development of a digitised heritage interpretation of the Rutland Roman Villa and Ichthyosaur.
- 13.3.1 This meets the criteria of the Levelling Up Fund in Round 2; 1) Local transport projects that make a genuine difference to local areas, 2) Town centre and high street regeneration, 3) Support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets:
- 13.4 If successful, the investment in Oakham will bring social, economic and environmental benefits to residents of Rutland. The investment will bring enhanced rural connectivity and a new mob-hub facility linking up public transport and connecting the 4 main market towns in the area. The new medi-tech centre will create new high value, high growth potential, businesses specialising in health and

digital services. It would be an anchor for the development of digital skills, activity and new businesses in the town of Oakham. It will offer high-quality, well-paid jobs and has the potential to support recruitment of the RMH and local GP surgery which will also benefit local residents supporting the regeneration of the local economy. Finally, the digital interpretation of recent significant finds in Rutland will enhance the cultural offer for the whole area and attract additional footfall into Oakham.

- 13.5 A successful bid will support the levelling up of Rutland and bring investment into the town. If successful, then the acceptance of funding would be a matter for Full Council. The submission of a bid does not compromise the Council's future decision making on this matter.

14 BACKGROUND PAPERS

- 14.1 Rutland County Council Bus Service Improvement Plan

<https://rutlandcounty.moderngov.co.uk/documents/g2444/Public%20reports%20pack%2015th-Feb-2022%2010.00%20Cabinet.pdf?T=10...>

15 APPENDICES

- 15.1 Appendix A: Evidence base
- 15.2 Appendix B: Full BSIP elements to be considered for inclusion in the bid
- 15.3 Appendix C: Key dates and milestones

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.