

CABINET

15 August 2023

LEVELLING UP FUND: COMMISSIONING DESIGN & PLANNING TO RIBA STAGE 3

Report of the Leader of the Council

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/140723	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr G Waller – Leader of the Council	
Contact Officer(s):	Penny Sharp – Strategic director of places	Tel: 07973 854906 psharp@rutland.gov.uk
	Ingrid Hooley – Head of Sustainable Economy and Place	Tel: 01572 720923 ihooley@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the commissioning of works using Levelling Up Fund (LUF) capital grant to enable delivery of Rutland's three capital projects to RIBA Stage 3: The Medi-Tech Centre; The Mobi Hub; and the investment in cultural and visitor economy related to the Ichthyosaur and roman villa.
2. Recommends to Council that approval is given in due course to the commissioning of works to RIBA stage 4 and beyond to procure necessary design, build and constructions partners to deliver on LUF capital projects.
3. Delegates authority to the Strategic Director for Places in consultation with the Leader and Portfolio Holder for Levelling Up Grant & Economic Development to approve associated procurement and spend.

1. PURPOSE OF THE REPORT

- 1.1 This report seeks approval to access LUF capital grant monies to procure the technical design phases of Rutland's LUF projects up to RIBA stage 4. The work is required to carry out detailed design, site investigations and costs analysis required to deliver projects detailed within the LUF bid "Rural Innovation In Place".

2. BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 In March 2022, the Department for Levelling Up Housing and Communities (DLUHC) launched Round 2 of LUF. This was a competitive capital grant funding programme for investment in infrastructure to support local communities to 'level up' through: regenerating town centre and high streets; upgrading local transport and highways; and investing in cultural and heritage assets.
- 2.2 With Cabinet approvals in place, Rutland County Council and Melton Borough Council submitted a joint bid and were successful. The bid focussed on addressing shared issues in rural market town economies. This aligned with the MP constituency area reflecting the need for MP support as a gateway requirement for LUF applications.
- 2.3 Rutland County Council is the Lead Local Authority with agreement the function is undertaken on a full cost recovery basis and with a formal agreement between the two local authorities governing the working arrangements including a partnership governance structure.
- 2.4 Agreements are now in place between Rutland County Council and DLUHC, a Memorandum of Understanding, and in turn between Rutland County Council and Melton Borough Council, a Back to Back Agreement. With approval from Council and delegation to officers for the administration, implementation, delivery and reporting of the programme to meet the requirements of the Memorandum of Understanding and DLUHC's Levelling Up Funds Local Authority Assurance Framework. See full report to
Cabinet and Council:
<https://rutlandcounty.moderngov.co.uk/documents/s26386/Report%20No.%2058.2023%20-%20Rutland%20and%20Melton%20Levelling%20Up%20Fund%20Grant.pdf>
- 2.5 This report delegated authority to the Strategic Director of Resources (Section 151 Officer) and Strategic Director of Places the administration and implementation (including project delivery) of the Levelling Up Fund grant requirements and reporting in accordance with the Memorandum of Understanding and DLUHC's monitoring returns DLUHC Levelling Up Funds Local Authority Assurance Framework.
- 2.6 With submission of the signed agreement to DLUHC and the quarterly return for the previous financial year, DLUHC have released £4,205,953 of LUF to Rutland County Council.
- 2.7 Officers are now seeking approval to commission works to the value of £0.5M funding to deliver the design stage of Rutland County Council's 3 capital projects. This will take the projects to RIBA stage 3. RIBA stage 4 will require further work from the then established technical design teams representing some £0.8M LUF. This then leads to a procurement process for the construction partner/s and commitment of funding for the remainder of the programme.
- 2.8 For the Rutland and Melton bid, the 3 investment areas were innovation and enterprise in health, transport and food/culture. Rutland County Council projects are:
 - 2.8.1 **Medi-tech digital innovation centre** – a commercially operated enterprise centre focused on developing health and care technologies to benefit residents and the wider population. Located at Rutland Memorial Hospital (RMH) site it will have the

added benefit of acting as a catalyst for the further integration of health and social care and support the consolidation of a 'health and care campus' with the potential to link Oakham Medical Practice, RMH and land in Council ownership. In addition, the facility could add to the attractiveness for health and care professionals to work in Rutland and support workforce development.

2.8.2 Mobi Hub Integrated transport – addressing issues with connectivity and accessibility between market towns and services, particularly health. The funding will provide a new integrated transport hub (a 'mobi-hub') for public transport and active travel in close proximity to Oakham railway station and RMH. In addition, the funding will secure two new demand responsive transport routes between Oakham and Melton, connecting some villages not currently served by public transport. The latter is subject to a separate Cabinet report.

2.8.3 Enhanced digital visitor experience – the investment will enable the digital interpretation of the recent internationally significant finds of the Ichthyosaur and the roman mosaic allowing the historic assets to be widely accessed by visitors and transforming the County's visitor offer. The digital interpretation is intended to be a mobile exhibition that can be hosted in various locations. The LUF funding will also provide for some capital investment into a building(s) to host the digital exhibition.

3. PROCUREMENT

3.1 It is proposed to use the Bloom framework which enables us to manage the end to end procurement process through direct award or mini-competition allowing Rutland County Council to award contracts in as little as 13 days to the various technical advisers required for the next stage. This will allow us to expedite the Rutland LUF deliverables to RIBA stage three and the planning submission.

3.2 This decision will only affect the initial design up to RIBA stage 3 and its associated management, not the full construction process or main contractor procurement. We plan to follow the formal procurement procedures for this process for RIBA 4 onwards.

3.3 The range of support services to be procured include Quantity Surveyor, Capital Project Managers, Architects, Structural Engineers, Civil Engineers, Transport Engineers, Fire Consultant, Landscape Architects, Acoustic Engineer, Monitoring and Evaluation (M&E) Consultants, Principal Designers and Costs Consultants.

4. ALTERNATIVE OPTIONS

4.1 The alternative option would be to reverse previous Council decisions and withdraw from the Levelling Up Fund programme.

4.2 This would result in the loss of significant capital investment in both Rutland and Melton local authority areas.

4.3 For Rutland, the Council would need to find alternative sources of capital funds to deliver its ambitions for the economy and to transform public transport and health. If this is not an option services will have to be reduced.

4.4 The reputational damage of declining Government investment could restrict the Council's ability to secure capital funding for its future corporate plans.

5. FINANCIAL IMPLICATIONS

- 5.1 The original LUF programme funding profile is summarised in the table below, with £22.9m of grant awarded for schemes with a total value of £26.2m between both Councils.

	Grant £000	Match £000	Total £000
Medi-Tech Digital Innovation Centre	5,792	1,200	6,992
Enhanced digital Visitor Experience	2,000	-	2,000
Integrated Transport	3,000	-	3,000
Total Project with RCC as Lead	10,792	1,200	11,992
Melton Town Centre Regeneration	12,159	2,035	14,194
Total LUF Programme	22,951	3,235	26,186

- 5.2 With submission of the signed agreement to DLUHC and the quarterly return for the previous financial year, DLUHC have already released £4,205,953 of LUF to Rutland County Council allowing us to remain in a cash positive position.
- 5.3 All costs of the programme are being met within the funding envelope.

6. LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The overall governance framework for the Rutland and Melton LUF Programme is made up of a number of components: The MoU; the Assurance Framework; the 'Back to Back' Agreement; and the Council's Corporate Management Framework.
- 6.2 The programme has a Board established including corporate and political leadership across both authorities. Governance and Terms of reference of the programme and Board have been established and agreed at a Board meeting on 27 July 2023.
- 6.3 The commissioning, procurement and implementation of the Rutland elements of the LUF programme will be in accordance with the Council's Constitution, including the Contract Procedure Rules and Financial Procedure Rules. Cabinet and/or Council (whichever is appropriate in the circumstances) will be involved at key gateways to approve implementation of projects and limit any financial exposure.
- 6.4 During the development and assessment of the Rutland and Melton LUF bid specialist legal advice was obtained on the Subsidy Control implications of the bid – specifically on compliance with the Subsidy Control rules contained within the Subsidy Control Act 2022 (Note: the Subsidy Control regime has replaced the previous rules on State Aid). It was a DLUHC requirement of all bidders to provide assurance that any grant would be compliant with the Subsidy Control rules and would not distort the competitive market. DLUHC has requested all successful bidders to provide fresh assurance and for that reason the Council's legal advice is currently being refreshed, although there is no reason to believe the updated advice will depart from the original advice.
- 6.5 The cost of legal advice for the programme is funded through the programme with no additional pressure on the Council's revenue position.
- 6.6 Legal advice on the tendering and award will be sought at the appropriate stages of

the procurement process.

7. DATA PROTECTION IMPLICATIONS

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed for because there are no risks/issues to the rights and freedoms of natural persons.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment (EqIA) has not been completed because there are no identified risks/issues for equalities or protected groups.

9. COMMUNITY SAFETY IMPLICATIONS

- 9.1 No direct implications arising from this report.

10. HEALTH AND WELLBEING IMPLICATIONS

- 10.1 For Rutland the LUF investment will leverage capital investment and commitment from health partners. The bid was supported by Leicestershire Partnership NHS Trust and Leicester, Leicestershire and Rutland Integrated Care Board.
- 10.2 It provides a catalyst to unlock investment in the Rutland Memorial Hospital site and develop the potential for a health and care campus. This will complement and enhance the work of the Health and Care Collaborative and provides an opportunity to further enhance integration and delivery of local health and care services.
- 10.3 The LUF investment will complement the Council's Transformation Programme and the Health and Care Collaborative workstream. Public transport provision results in reduced rural isolation and emissions from private car use, increased physical activity and access to services.

11. CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 11.1 The commissioning, procurement and implementation of the Rutland elements of the LUF programme will be in accordance with the Council's Constitution, including the Contract Procedure Rules and Financial Procedure Rules. Cabinet and/or Council (whichever is appropriate in the circumstances) will be involved at key gateways to approve implementation of projects and limit any financial exposure.
- 11.2 Due to the value of the work to be commissioned Cabinet approval must be requested to RIBA stage 3 where the procurement value likely to amount to £0.5M although this will consist of several commissions in the range of £5,000 to £70,000.
- 11.3 The programme is being delivered to a tight Government imposed timeline consequently Cabinet is asked to note Council approval will be required for RIBA stage 4 and beyond. Report to follow. The commissioning of works to RIBA stage 4 likely to be £0.8M in value and the project team will then have to move quickly to procure necessary constructions partners to finalise delivery of the LUF capital projects by funding timelines.

12. BACKGROUND PAPERS

- 12.1 None

13. APPENDICES

13.1 None

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