

Bid into Government Levelling Up Fund

Report of the Head of Planning, Transportation and Environment

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: that the Cabinet be asked;

- (a) to give approval for the Council to work with the District Councils to submit bids to the Government's "Levelling Up Fund" (LUF) in June 2021, for the following schemes:
 - i. Okehampton - new rail station & transport hub
 - ii. Cullompton - Town Centre Relief Road
 - iii. Exmouth - Completion of Dinan Way and Town Centre improvements
 - iv. Teign Estuary Trail and associated cycle links
 - v. Lee Mill - Slip road and associated local improvements
- (b) to approve the Levelling Up Fund bids be submitted with a total estimated cost of £92m incorporating a contribution of up to £5.7m from Devon County Council;
- (c) to agree where approval is granted to enter into any funding agreements required to secure the funding or any part of it, authority is delegated to the Head of Head of Planning, Transportation and Environment, to negotiate and enter into those agreements;
- (d) that delegated approval be given to the Head of Planning, Transportation and Environment, in consultation with the Local Member and Cabinet Member for Climate Change, Environment and Transport, to make minor amendments to the bid submissions.

1. Summary

The Department for Transport, the Ministry for Housing, Communities and Local Government and the Treasury are planning to invest £4.8 billion in high- value local infrastructure. It is especially intended to support investment in places where it can make the biggest difference to everyday life. The Levelling Up Fund (LUF) is to be distributed as a capital grant, as part of this government's broader offer to level up opportunity across the UK.

Working with the key stakeholders a programme of schemes has been identified which cover a range of transport modes and spread the bids over a wide geography covering a number of key Market Towns.

This report identifies five projects including a rail station, a strategic multi-use trail and three highway schemes, with associated pedestrian/cycle improvements aimed at reducing the impact of traffic on sensitive residential areas and town centres. Each scheme will demonstrate a net gain in biodiversity, a reduction in carbon and air quality improvements. The total cost of the programme is approximately £92m which includes £74.3m in capital grant, £12m from other contributions and a contribution of £5.7m from Devon County Council.

2. Introduction

The Government's Levelling Up Fund was announced at the 2020 Spending Review to support communities in order to regenerate a town centres, enable investment in cultural facilities or upgrade local transport infrastructure. The LUF will focus on capital investment in local infrastructure thereby building on and consolidating prior programmes. It will have a visible, tangible impact on people and places, and support economic recovery. In doing so, it will also create opportunity across the country, prioritising bids that invest in regeneration and growth in places in need and areas of low productivity and connectivity.

The eligibility is complex. The Government has categorised all authorities based on the need for economic recovery and growth; improved transport connectivity and regeneration. The table below shows the categories for Districts in Devon, with the guidance stating that preference will be given to bids from higher priority areas. Bids from category 2 or 3 places will still be considered for funding on their merits of deliverability, value for money and strategic fit.

District Authority	Assessed Category of Need
Torrige	1 – High need
Mid Devon	2 – Medium need
West Devon	2 – Medium need
East Devon	3 – Low need
Exeter	3 – Low need
North Devon	3 – Low need
South Hams	3 – Low need
Teignbridge	3 – Low need

Members of Parliament are allowed to back one bid that they see as a priority. There are other criteria, but it works out that each District Council and the County Council can submit one bid as long as it is supported/prioritised by the MP.

Where the MPs are supporting District Council bids we have been working closely with the Districts to help them develop their proposals, where there are transport related elements. The County Council can only bid for one transport scheme. Schemes need to be deliverable by March 2024.

3. Proposal

Okehampton

Working with West Devon Borough Council they will submit a bid for a West Devon Transport Hub in Okehampton. The transport hub will include a new rail station close to the emerging development and the junction off the A30 to the east of Okehampton. The transport hub will enable the best use of the new rail connection to Exeter, which is planned to start operating by the end of this year. Devon currently owns the necessary land. The hub will include facilities for bus connections, cycle facilities and electric vehicle charging at the car park. The aim is to provide an interchange for Okehampton and the rural hinterland stretching up to Holsworthy, Hatherleigh and North Cornwall, which currently has poor connectivity to the national rail network.

Cullompton

Working with Mid Devon District Council they will submit a bid for Cullompton Town Centre Relief Road (CTCRR). The scheme recently received planning permission. CTCRR will enable traffic to be removed from the High Street therefore improving air quality and enabling further regeneration of the historic core of Cullompton. Mid Devon District Council have secured £10 millions in funding from the government's Housing Infrastructure Fund, but it is insufficient taking into account the high cost of land acquisition, mitigation work related to relocation of sports facilities, pedestrian/cycle facilities and construction costs. Whilst the District has been successful in its bid for HIF funding, it may not be recognised under the LUF as local match. DCC are therefore contributing match funding to support this scheme.

Exmouth

Working with East Devon District Council they will submit a package bid which includes the Dinan Way extension. Dinan Way currently forms a partial ring road around Exmouth, but it lacks the final connection to the A376. As a result, traffic from Dinan Way has to use unsuitable residential roads to access the A376 main road to Exeter and the M5. Furthermore, goods vehicles accessing the Liverton Business Park, surrounding employment & retail area and the road to Budleigh Salterton are signed to travel through residential areas and past the school on the periphery of the town centre. The Dinan Way extension proposals, which secured planning permission in 2017, will provide an improved pedestrian/cycle connection to the Exe Estuary multi-use trail and has potential for better bus services to Exeter.

This will form part of a wider bid covering Exmouth, with other proposals focusing on the regeneration of the town centre. East Devon District Council are developing a number of interventions utilising district owned land to enhance the existing town centre assets. This could include new mobility opportunities, better accessibility and wayfinding and leisure and cultural attractions. Together with the Dinan Way extension scheme, this will form a package enhancing Exmouth as a destination.

Teign Estuary Trail

Working with Teignbridge District Council they will submit a bid for the Teign Estuary Trail. Development work on the trail is progressing well with a massively positive response to the consultation. A planning application is due to be submitted imminently. A scheme with Planning Permission, associated mitigation and costs estimates would demonstrate it is deliverable therefore it is proposed that the scheme will not be included in the first tranche of LUF bids. Teignbridge are also looking at other schemes to link cycle and pedestrian facilities with the new multi-use trail.

Lee Mill

Devon County Council will submit a bid for a new Lee Mill eastbound slip road, a bus gate on the existing A38 slip road and improvements for cyclists/pedestrians. The evolution of Lee Mill has resulted in substantial development which is accessed off the A38 from a junction layout which lacks a conventional full all-movements junction. In particular, the eastbound off-slip utilises an urban features road with HGVs serving the large industrial estate on the eastern edge of the settlement passing close to residential properties with associated air and noise pollution. Land

is available for the replacement A38 eastbound off-slip which would enable traffic to be removed from the central area of Lee Mill village. The consultation demonstrated very strong support for the scheme. In order to ensure existing facilities for public transport are maintained a bus gate will be introduced on the existing slip road. A scheme with Planning Permission, associated mitigation and costs estimates would demonstrate it is deliverable therefore it is possible that the scheme will not be included in the first tranche of LUF bids.

4. Options/Alternatives

Numerous discussion and consultations have taken place with District Councils and MPs in the development of this major programme of works and some District Councils are also preparing other, non-transport bids. The proposed programme is ambitious and deemed deliverable.

There will be future rounds of funding; however, it would be advantageous to gain the earliest decision in order to progress land negotiations and design to increase chances of deliverability by March 2024.

5. Consultations

Various consultations have taken place on every scheme at the appropriate level. All schemes have a high level of support.

6. Financial Considerations

The funding from the LUF is limited to £20m per scheme unless there is an exceptional case. There is an expectation from Government that there will be a local contribution of at least 10%. The schemes identified in the report all have strong transport element therefore it is recommended that the County Council make a substantial financial contribution, as shown below:

Scheme	DCC Contribution £m	District Council Contribution £m	Levelling Up Fund Bid £m	Total Cost £m
Okehampton – new rail station & transport hub	1.2	0	10.8	12
Cullompton - Town Centre Relief Road	1	10	14	25
Exmouth - Completion of Dinan Way and Town Centre improvements	1	1	18	20
Teign Estuary Trail	1	1	18	20
Lee Mill – Slip road, bus gate and ped/cycle improvements	1.5	0	13.5	15
Total	5.7	12	74.3	92

District Council contributions are expected to come from developer contributions, with the exception that Mid Devon have secured an existing allocation from the Government's Housing Infrastructure Fund. The contribution from Devon County Council would be funded from internal borrowing, resulting in an annual repayment charge to revenue of approximately £240,000. The Capital Strategy for 2021/22 suggests that this level of new internal borrowing is currently affordable. However,

all new future internal borrowing will be kept under review and will only be submitted for approval where cashflow allows.

In term of revenue implications There will be a small three-year cost for Okehampton Station maintenance and a cost for the car park maintenance. It is planned that this will be covered by the car park charges.

The Teign Estuary Trail is a new asset that will incur an additional maintenance cost. The design will look at the whole life cost of the scheme aiming to use materials that minimise ongoing maintenance liabilities.

Cullompton, Exmouth, and Lee Mill add small sections of additional road length and will reduce traffic flows on other roads. There will a slight increase in overall maintenance costs.

7. Legal Considerations

There are no specific legal considerations although funding agreements will have to be established with the District Council where they are the lead authority.

8. Environmental Impact Considerations (Including Climate Change)

All the schemes will have a valid permission which will demonstrate a net gain in biodiversity, a reduction in carbon and air quality improvements. There is a wide range of schemes including a rail station, two strategic multi-use trails and highway schemes aimed at reducing the impact of traffic on sensitive residential areas and town centres.

9. Equality Considerations

Where relevant to the decision, the Equality Act 2010 Public Sector Equality Duty requires decision makers to give due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

Taking account of age, disability, race/ethnicity (includes Gypsies and Travellers), gender and gender identity, religion and belief, sexual orientation, pregnant women/new and breastfeeding mothers, marriage/civil partnership status in coming to a decision, a decision maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

This will be achieved, for example, through completing a full Equality Impact Needs Assessment / Impact Assessment or other form of options/project management appraisal that achieves the same objective.

Impact Assessments have either previously been prepared or are in the process of being developed and will be reviewed as bids are advanced. Successful schemes will be subject to a further Cabinet report and the inclusion of an Impact Assessment.

12. Summary

It is recommended that each of the above schemes is progressed to submission of a bid for the Levelling Up Fund capital grant on 18 June 2021, with the exception of the Teign Estuary Trail and potentially Lee Mill which will be included in the next Tranche of bids.

Dave Black
Head of Planning, Transportation and Environment

Electoral Divisions: All

Cabinet Member for Climate Change, Environment and Transport: Councillor
Andrea Davis
Cabinet Member for Highway Management: Councillor Stuart Hughes

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
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Nil

Bid into Government Levelling Up Fund - Final