

# Report

<b>To:</b>	<b>Community and Enterprise Resources Committee</b>
<b>Date:</b>	<b>6 February 2024</b>
<b>Prepared by:</b>	<b>Executive Director (Community and Enterprise Resources)</b>

<b>Subject:</b>	<b>UK Levelling Up Fund - Round 3</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the outcome of round 3 of the UK Levelling Up Fund (UKLUF)
- ◆ provide an overview of the next steps

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the outcome of the UKLUF Round 3 be noted; and
- (2) that the next steps be noted.

## 3. Background

3.1. As reported to Community and Enterprise Resources Committee on 30 May 2023, the UKLUF is a capital fund which can make awards of up to £20 million for regeneration, town centre and cultural investments, and awards of up to £50 million for transport investments. Match funding of 10% is required. The fund has a budget of £4.8 billion, of which £800 million is ring fenced for Scotland, Wales, and Northern Ireland.

3.2. The UKLUF Round 1 was launched March 2021 with successful bids announced in November of that year. Round 2 was launched March 2022, successful bids were announced in January 2023. Both rounds 1 and 2 operated as traditional challenge funds with bids from across the UK competing for the available funding.

3.3. The bids, detailed below, submitted by South Lanarkshire Council (SLC) in the first 2 rounds of UKLUF were unsuccessful:-

### ◆ Round 1

1. EV@SL: Levelling Up South Lanarkshire

### ◆ Round 2

1. EV@SL: Levelling Up South Lanarkshire

2. National Business District: Shawfield Remediation and Development

3. Three Rivers Active Tourism: Clydesdale Way

#### 4. UK Levelling Up Fund Round 3

- 4.1. In November 2023, the UK Government's Department for Levelling Up, Housing and Communities announced that following feedback from local authorities, and in line with the principles set out in the Funding Simplification Plan, round 3 of the UKLUF would move away from the competitive approach of rounds 1 and 2, and would see funding awarded to high-quality bids that were submitted in round 2.
- 4.2. On 20 November 2023, the Council received formal notification that UKLUF Round 3 awards would be allocated based on bids submitted in round 2, and that 2 South Lanarkshire bids had been shortlisted for an allocation:-
- ◆ National Business District: Shawfield Remediation and Development
  - ◆ Three Rivers Active Tourism: Clydesdale Way (Joint bid developed in partnership with Dumfries and Galloway Council (DGC) and Scottish Borders Council (SBC)).
- 4.3. Full details of project values, UKLUF grant requested, and match funding requirements are detailed in the table below:-

Project Name	Partners	Total Project Value	LUF Grant Requested	Match Funding and Source
<b>National Business District: Shawfield Remediation and Development</b>	Clyde Gateway Urban Regeneration Company (URC)	£16,264,000	£14,637,600	£1,626,400  Clyde Gateway Developments Limited
<b>Three Rivers Active Tourism</b>  Partnership Project: -Clydesdale Way SLC -Annan Harbour DGC -Chambers Institute SBC	Dumfries and Galloway Council (Lead Applicant)  Scottish Borders Council	£25,343,796  Of which: £7,550,000 (SLC) £13,131,796 (DGC) £4,662,000(SBC)	£22,809,416  Of which: £6,795,000 (SLC) £11,818,616 (DGC) £4,195,800 (SBC)	£2,534,380  Of which: £755,000 (SLC) £1,313,180 (DGC) £466,200(SBC)

- 4.4. UK Government officials have confirmed that the provisional award of funding is for these specific projects and that the money cannot be used to support activity that is substantially different. In addition, the award is subject to project validation, subsidy control checks, and UK Government departmental sign-off.
- 4.5. In December 2023, the Enterprise and Sustainable Development Service (ESDS) completed initial validation checks for both awards, which have a total value of £23,814,000. Details of the next, more detailed, stage of the UK Government's validation and onboarding process is anticipated late December 2023/January 2024.

## **5. UKLUF Project Outlines**

### **5.1. National Business District: Shawfield Remediation and Development**

Developed in partnership with Clyde Gateway URC, this project will support remediation and development at the National Business District – Shawfield Phase 2. The project will help address the historical legacy of chromium contamination at Shawfield via ground remediation, improvements to the ground water and the development of business space to stimulate local economic activity through enhancement of the built environment, attracting and supporting business activity in the Clyde Gateway area, and providing training and employment opportunities.

### **5.2. Three Rivers Active Tourism: Clydesdale Way**

Developed in partnership with Dumfries and Galloway Council (lead applicant) and Scottish Borders Council, the project is focussed on the Dumfriesshire, Clydesdale, and Tweeddale constituency. The bid was developed to promote tourism, culture and rural economies and is made up of 3 projects, one from each of the three local authorities. South Lanarkshire's project focuses on the rural path and cycling network through the development of the Clydesdale Way. The Clydesdale Way will transform access and connectivity within and between rural communities by enhancing the path network and visitor infrastructure which will in turn support place, tourism, and local community needs.

## **6. UK LUF Next Steps**

### **6.1. National Business District: Shawfield Remediation and Development**

The project will be delivered by Clyde Gateway on behalf of South Lanarkshire Council using the well-established governance structures Clyde Gateway and South Lanarkshire Council have in place. Reporting requirements will be updated to reflect UK Government guidance. A Delivery Plan has been developed and Clyde Gateway have confirmed the current programme allows for all necessary statutory consents and regulatory approvals to be in place throughout 2024, permitting each scheme to progress separately through procurement, construction, and implementation, in advance of the March 2026 deadline for the UKLUF Round 3 funding. This will include any land acquisition, third party agreements, wayleaves etc.

### **6.2. Three Rivers Active Tourism: Clydesdale Way**

ESDS is undertaking a comprehensive review of the project as originally envisaged to assess deliverability and to identify any adjustments that may need to be made for example, as a result of inflationary pressures. The ESDS team is working with colleagues across Resources including Legal, Procurement, Planning, Roads, Countryside and Estates to identify and agree individual Resource's requirements, secure buy in, and progress early mobilisation activities to inform the project scope, procurement solution, risk register etc. A governance structure will be developed and implemented which reflects the scale of the project together with the reporting requirements of both the UK Government and partner local authorities.

## **7. Employee Implications**

7.1. ESDS is working with colleagues across the Council to develop a Resource Schedule which will identify staffing and support requirements within all services involved and inform planning and work programmes.

## **8. Financial Implications**

8.1. Match funding values and sources are set out in this report. South Lanarkshire Council's match funding for the Clydesdale way project is in place.

## **9. Climate Change, Sustainability and Environmental Implications**

- 9.1. The projects will make significant contribution to the local environment through the remediation of significant land contamination and the creation of new active travel and leisure path networks.
- 10. Other Implications**
- 10.1. The UKLUF awards provide significant capital investment in South Lanarkshire and will contribute to priorities set out in Connect, the Council Plan 2022 to 2027.
- 11. Equality Impact Assessment and Consultation Arrangements**
- 11.1. There is no requirement to carry out an impact assessment in terms of the updates contained within this report. Consultation and project development activity is ongoing with a number of resources.

**David Booth**  
**Executive Director (Community and Enterprise Resources)**

22 December 2023

**Link(s) to Council Values/Priorities/Outcomes**

Values

- ◆ Focused on people and their needs

Priorities

- ◆ We will work towards a sustainable future in sustainable places
- ◆ We will work to recover, progress and improve

Outcomes

- ◆ Good quality, suitable and sustainable places to live
- ◆ Thriving business, fair jobs and vibrant town centres
- ◆ Caring, connected, sustainable communities
- ◆ People live the healthiest lives possible

**Previous References**

- ◆ UK Levelling Up Fund Update, Community and Enterprise Resources Committee, 30 May 2023
- ◆ Members Briefing UK Funds Briefing 10 September 2021

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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