

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF THE POLICY AND FINANCE COMMITTEE ON 30 JUNE 2022

SUBJECT: Levelling Up Fund, Round Two Bid

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DATE: June 2022

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PORTFOLIO AREA: Economy Group

EXECUTIVE SUMMARY:

This report seeks the Committee's endorsement to the core elements of the Council's submission to the Levelling Up Fund Round Two.

RECOMMENDATIONS:

It is recommended that the Committee:

- (1) Endorses the submission of a bid for funding to the Levelling Up Fund for funding to support the Arun Cycle Way project in Arundel and Littlehampton; and
- (2) Authorises the Director of Place to finalise the bid documentation and make changes as considered appropriate without changing the core messages or details.

1. BACKGROUND:

1.1. In the 2020 Spending Review the Chancellor announced the creation of a new fund entitled the 'Levelling Up Fund'. Details were released at the 2021 budget. The Fund brings together the Department for Transport, the Department for Levelling Up, Housing and Communities and the Treasury to invest £4.8 billion in high value local infrastructure. The prospectus that was published to support the fund advises that:

- "While the Fund is open to every local area, it is especially intended to support investment in places where it can make the biggest difference to everyday life, including ex-industrial areas, deprived towns, and coastal communities. It is also designed to help local areas select genuine local priorities for investment by putting local stakeholder support, including the local MP where they want to be involved, at the heart of its mission."

1.2. This Council was successful in achieving £19.4M in Round One of the Levelling Up Fund applications towards two projects in Bognor Regis and Littlehampton. The number of applications to the Levelling Up Fund is allocated by Parliamentary constituency. Arun has three Parliamentary constituencies and therefore a further application, to Round Two, is permitted.

1.3. The second round of the Fund will focus on the same three investment themes as the first round: local transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets. In particular, the Fund will look to support:

- Transport investments including (but not limited to) public transport, active travel, bridge repairs, bus priority, local road improvements and major structural maintenance, and accessibility improvements. Requesting proposals for high-impact small, medium and, by exception, large local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth, and improve the safety, security and overall experience of transport users.
- Regeneration and town centre investment, building on the Towns Fund framework 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.
- 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.

1.4. A total of up to £20M is available for non-transport projects and £50M where transport comprises at least 90% of the project value, in each area. A Transport based bid would need to be submitted on behalf of this Council by West Sussex County Council. Unfortunately, they already have a project they are bidding for so that would not be possible. However, there is a requirement for 10% match funding to be provided. Importantly, the prospectus sets out the approach for the second round of the Fund, in that it is open to projects that can demonstrate spend from the Fund in the 2022-23 financial year. It is expected that all funding provided from the Fund would be spent by 31 March 2025 and by 2025-26 on an exceptional basis.

1.5. The deadline for submission of completed bids is 6 July 2022.

2. PROPOSALS

2.1. The overall project seeks to deliver both a leisure cycleway down the western bank of the River Arun and the delivery of a commuter route between Arundel and Ford station along Ford Road, and beyond to the A259. However, this bid is not for all of the commuter route as the overall sum the Council would need to bid for would be greater than the £20m sum that is potentially available. Therefore, the project has been amended to deliver parts of the commuter route where there is the greatest synergy with the leisure route. It is hoped that the remainder of the commuter route will be delivered through a mixture of Community Infrastructure Levy funding, Capital from WSCC and a bid to National Highways using what is referred to as 'Designated Funds'.

2.2 For the leisure route some considerable work has been undertaken in previous years with a feasibility study being presented to councillors in the recent past. The costings have been updated to reflect the position in 2022.

2.3. The entire project is comprised of four specific parts which are described below. However, the bid to the Levelling Up Fund is only for funding to cover the Leisure Route and additional car parking with Cycle Hub, and part of the commuter route. (see map attached as appendix 1)

2.4 (i) A leisure cycle and walking route from Littlehampton to Arundel. This would be along the existing footpath that runs adjacent to the River Arun on the western bank. The proposed route would be a shared use path from Littlehampton to Arundel passing through and improving access to the historic countryside and attractions near the River Arun and therefore part of the proposal will include seeking to amend the status of this route to a bridleway, thereby permitting cycling.

The existing route is currently an unmade footpath that follows the alignment of the river, under two 'A' roads and the West Coastway Railway line. This footpath connects to existing footways in Arundel and Littlehampton, which access destinations within the two towns.

This route contributes towards the objectives of both this Council and West Sussex County Council to improve walking and cycling in the area.

2.4(ii) A new parking facility at Ford Railway Station with a Cycle Hub. Currently parking provision at Ford Railway Station is extremely limited (around 6 spaces). The development of an additional parking facility would allow for commuter traffic and additional leisure traffic. It is proposed that a Cycle Hub with cycles for hire be located there which would provide residents and visitors to the area the opportunity to hire a cycle and to travel either north, south or in a circular route.

2.4(iii) A 'commuter' route is proposed along Ford Road from Arundel to Ford Railway Station. In January 2022 a petition was presented to a meeting of the Full Council. This petition called for the development of a safe cycling and walking pathway between Arundel and Ford Station. The petition had received wide ranging support and contained over 1500 signatures. A motion to support the petition was passed by Full Council at that meeting. It is proposed that this bid would deliver the section between Ford Railway Station to a point opposite Tortington Lane where a link to the leisure route is proposed. This will facilitate a circular route for the leisure route but also provide a commuter route pending the completion of the remaining sections to the north.

2.4(iv) An upgraded footway and cycle path be created from Ford Railway Station south towards the A259. This would link with the cycle path adjacent to the A259 heading east into Littlehampton and connect at a point alongside the river to create a circular route. It would also link the proposed housing developments at both Clymping and Ford with Ford railway station providing a safe commuter route. This section is to be delivered as part of two developments. Firstly, the development of land at Clymping and secondly at Ford Airfield.

3.0 PREDICTED COSTS

3.1. As expected, a project of this size, scale and complexity will require substantial funding, involve multiple partners, including some 15 different landowners, and a 'cocktail' of funding. Each section of the entire project has been costed individually.

Project Section	Predicted Cost (rounded)	Potential Funding Source(s)
River Arun cycle / footway	Mid range option £11,009,000 High End Option £17,600,000 <i>See below for assumptions (a).</i>	Levelling Up Fund West Sussex County Council CIL Funding
<i>Arundel to Ford Railway Station commuter route</i>	<i>Total cost of £9,800,000*</i> <i>The sum included in the bid for the section to be delivered will be updated at the meeting</i>	<i>Levelling Up Fund West Sussex County Council CIL Funding Designated Funds</i>
<i>Ford Railway Station to A259 footpath / cycle way</i>	<i>Included in above*</i>	<i>Developers</i>
Additional parking provision / cycle hire, Ford Station	£2,600,000	Levelling Up Fund Landowner (profit share) Arun District Council

Assumptions

(a) Costs as at April 2022

Annual inflation forecast based on BCIS All-in Tender Price Index and the Faithful+Gould Inflation Report, for the next four years:

2022 - 5%

2023 - 3.25%

2024 - 3.25%

2025 - 3.0%

3.2. The issue of ongoing maintenance and lifetime costs needs also to be considered. The ongoing costs for the maintenance of the river cycle / footway are still not perfectly clear. However, West Sussex County Council estimates predict little work would be required on surfaces for the first 15 years and maintenance costs would be expected to sit at around £200 per km per year and be primarily for clearing vegetation. So, for a 15 year period £30,000.

3.4. The costs of the additional car parking and Cycle Hub require consideration. The land is currently in private ownership, and it may be that an agreement over a profit share, or similar, might be reached or, alternatively, that the land must be purchased to allow the additional car parking and cycle hub. This matter is still being considered.

4.0 THE ECONOMIC BENEFITS

4.1 The project is based on the rationale that a properly constructed cycle and walking route along the River Arun from Littlehampton to Arundel will be a popular draw for visitors and local people alike. There are several comparisons in other parts of the UK that have become highly popular visitor attractions. These include the Camel Trail in Cornwall <https://www.cornwall.gov.uk/environment/countryside/cycle-routes-and-trails/the-camel-trail/?msckid=5c59ae4fd13011eca6adc4c69a01c6fe> .

4.2. There are a wide range of economic benefits that would come from a project such as this. These include:

• Number of cycle trips 2025	103,000
• Number of cycle trips 2035	177,000
• Cycle trips by overnight visitors 2025	15,500
• Cycle trips by overnight visitor 2035	26,500
• Value of economic benefits by 2035	£38.8m
• Spend in the local economy by 2035	£7.5m
• Economic return for every £1.00 of investment by 2035	£2.43
• Additional new FTE sustainable jobs created	10

In addition, there are significant health benefits from such a project with improved health and well-being resulting from increased physical activity. The value of these is estimated to be more than £27M by 2035.

3. OPTIONS:

- (i) to support the proposed bid – the Committee agree that the bid be submitted in its current form. In doing this the Committee accepts there will be a legal obligation to fulfil the terms of any subsequent grant and the for the delivery of the project.
- (ii) to reject the bid – the Committee agree that the bid should not be submitted. Due to the submission date, 6 July, it will not be possible to submit an alternative proposal and the option for funding from the Levelling Up Fund Round 2 would be lost.
- (ii) the Committee requests alterations to be made. It is important to note that the deadline for the completed bid is 6 July and, at this point, it would not be feasible to make significant alterations and still meet that deadline.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council (for previous decisions)	X	
<ul style="list-style-type: none"> • Arundel Town Council • Ford Parish Council • Clymping Parish Council • Littlehampton Town Council 		

Relevant District Ward Councillors (for previous decisions)		X
Other groups/persons (please specify) <ul style="list-style-type: none"> • Members of Parliament Nick Gibb MP, Andrew Griffiths MP • West Sussex County Council • Landowners along the river route. • Relevant businesses in both Arundel and Littlehampton • Sustrans • Highways England • The Environment Agency • Littlehampton Traders Partnership • Developers of sites at Ford & Clymping 	X	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	X	
Legal		X
Human Rights/Equality Impact Assessment	X	
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability	X	
Asset Management/Property/Land	X	
Technology		X
Other (please explain)	X	
<p>6. IMPLICATIONS: Whilst this report seeks support to make a bid to the Levelling up Fund Round 2, the Committee needs to be aware that a successful outcome may have significant financial implications for the Council and will certainly have legal obligations to deliver the required outcome.</p> <p>Discussions are ongoing with a number of stakeholders and partners, and it will be the outcome of these that is critical in lessening the implications of such a project for this Council.</p> <p>Financial – The Council is required to show a 10% contribution to the scheme. The Council believes that the works being undertaken by developers in respect of land at Ford and Climping should be sufficient to account for this 10% requirement.</p> <p>Human Rights/Equality Impact Assessment – landownership and purchase may be involved. Access by all will be a key element of the project.</p>		

Sustainability – the project will need to demonstrate sustainability in its widest context. Including materials, impact, and longevity.

Asset Management/Property/Land – land purchase may be required to deliver the additional car parking and cycle hub.

Other – project delivery – the Council will be required to deliver the project if the funding bid is successful.

7. REASON FOR THE DECISION: To secure agreement to submit a bid with the objective of obtaining up to £20m external funding to deliver an active travel leisure route between Arundel and Littlehampton.

8. BACKGROUND PAPERS:

Appendix 1 - Plan

Levelling Up Prospectus Round 2 - <https://www.gov.uk/government/publications/levelling-up-fund-round-2-prospectus/levelling-up-fund-round-2-prospectus>