

LUF Round 2: Application Template

Word counts are included for several questions throughout the application, these are provided as a guide only. The level of detail you provide in the online application form should be proportionate to the amount of funding that you are requesting. For example, bids for more than £10m should provide proportionally more information than bids for less than £10m.

Whilst there are some annexes that we ask applicants to complete (via the pro forma documents supplied) and some additional documents we request as evidence, applicants must point to specific additional text that they have submitted if they wish it to be considered in the assessment. Any answer referencing any information contained in annexes must be relevant to a specific question in the application form and referenced within the answer.

The application portal opens on Tuesday 31 May 2022 and will close at **12:00 noon, on Wednesday 6 July 2022**. Please ensure that the online application is complete and all supporting documents are uploaded by this deadline.

All of the proformas referred to in the table below can be downloaded in a zip file on [Application guidance](#) page along with the costings and planning workbook.

Part 1 – Gateway

Applicants will be asked a series of questions to ensure that they have met all the eligibility requirements for the bid type. This information sits outside the scoring framework but will affect how the bid is processed. The application will not be able to proceed until all the relevant eligibility checks have been met.

Allowance checks in England, Scotland and Wales only.
Please confirm which bid allowance you are using: - <input type="checkbox"/> Constituency allowance - <input type="checkbox"/> Transport allowance
For bids using the transport allowance , is your bid at least 90% investment in the transport theme with the remaining investment related to the transport element of the bid? Y <input type="checkbox"/> N <input type="checkbox"/>
Bids from a single applicant, excluding large transport and large culture bids
Please confirm that the bid does not exceed £20 million. Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Package bids
Do you have more than three component projects? Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
Joint bids

For a joint bid in England, Scotland, and/or Wales, please confirm the names of the other local authorities you are working jointly with and confirm which bid allowance they are using to support this bid.

N/A

For a joint bid in Northern Ireland, please confirm the registered names of the other organisations you are working jointly with.

Please confirm if any of your partners are from the non-public sector.

N/A

All joint bids. Do you have the support of the other organisations you are working with and have a signed pro forma to this effect from each organisation?

Y N

For bids in England, Scotland, and/or Wales, please complete pro forma 2.

For bids in Northern Ireland, please complete pro forma 3

Joint bids with only one component project. Please confirm that your bid does not exceed the maximum threshold allowable for joint bids with only one component project.

I am submitting:

- a joint bid that contains only one component project with one other applicant organisation and can confirm that the bid overall does not exceed £40 million grant value.

Y N

- a joint bid that contains only one component project with two or more other applicant organisations and can confirm that the single component project within the bid (and therefore the bid overall) does not exceed £50 million grant value.

Y N

Joint bids with multiple component projects. Please confirm that your bid does not exceed the maximum threshold allowable for joint bids that contain multiple component projects.

I am submitting:

- a joint bid that contains multiple component projects with one other applicant organisation and can confirm that the bid overall does not exceed £40 million grant value.

Y N

a joint bid that contains multiple component projects (maximum of three) with two or more other applicant organisations and can confirm that no single component project within the bid exceeds £50 million grant value.

Y N

- a joint bid that contains multiple component projects (maximum of three) with two or more other applicant organisations and can confirm that the total for the overall bid does not exceed £60 million grant value.

Y N

Large transport bids (from a single applicant) >£20 million

Please confirm that the bid does not exceed £50 million.

Y N

Please confirm that at least 90% of the investment is in the transport theme. The remaining investment must be related to the transport element of the bid?

Y N

Large cultural bids (from a single applicant) >£20 million

Please confirm that the bid does not exceed £50 million.

Y N

Please confirm that at least 90% of the investment is in the cultural theme with the remaining investment related to the cultural element of the bid.

Y N

Transport bids from the Northern Ireland Executive (NIE)

For transport bids in Northern Ireland from the Northern Ireland Executive (NIE), do you have the support of the relevant local council(s)?

Y N

Please complete pro forma 4.

Any bid with a transport element

For bids in Northern Ireland with a transport element, which are not from the Northern Ireland Executive (NIE), do you have the support of both the NIE and the relevant local council(s)?

Y N

Please complete pro forma 4.

For bids in England, Scotland, and/or Wales, where you (the applicant) do not have statutory responsibility to deliver all of the transport elements of your bid, please confirm that you have the support of all the authorities with the relevant statutory responsibility before proceeding.

Y N

Please note that this also a requirement for all bids using a transport allowance.

Please complete pro forma 1

ALL BIDS

1.1 Gateway Criteria for all bids. Please tick the box to confirm that some LUF grant funding will be defrayed in the 2022/23 financial year.

Y N

Eligible expenditure in 2022-23 could include capital development costs.

1.2 Gateway Criteria for single and joint bids where the lead applicant and any partner organisations are higher education / university, private and/or third sector organisations in Northern Ireland bids only.

Please confirm that you have attached audited financial statements covering the last three financial years (or audited annual accounts for registered charities).

For the applicant (if applicable) Y N

For partner organisation(s)
(if applicable) Y N

1.2.1 Gateway Criteria for single and joint bids where the applicant and/or partner organisations are higher education / university, private and third sector organisations in Northern Ireland bids only.

Please provide evidence demonstrating that your organisation (as the applicant) and/or your partner organisations (for joint bids) has experience of delivering two capital projects of similar size and scale in the last five years.

For the applicant (if applicable)

For the partner organisation(s) (if applicable)

Partner organisation evidence should be copied from pro forma 3.

Applicant Details

Legal name of lead applicant organisation:

Bid Manager:

Officer with day-to-day responsibility for delivering the proposed scheme and nominated contact for the bid.

Name: Richard Dowson

Position: Project Manager

Contact telephone number: redacted

Email address - redacted

Postal address: North East Lincolnshire Council, Municipal Offices, Town Hall Square, Grimsby, DN31 1HU

Senior Responsible Officer contact details:

Name: Damien Jaines-White

Position: Assistant Director Regeneration

Contact telephone number - redacted

Email address: redacted

Chief Finance Officer contact details:

Name: Sharon Wroot

Contact telephone number: redacted

Email address: redacted

Local Authority leader contact details:

Name: Councillor Philip Jackson

Position: Council Leader

Contact telephone number: redacted

Email address: [redacted](#)

Please provide the name of any consultancy companies involved in the preparation of the bid:

Where is your bid being delivered?

England

Scotland

Wales

Northern Ireland

For bids from **Northern Ireland applicants** please confirm type of organisation

Northern Ireland Executive

Third Sector

Public Sector Body

Private Sector

District Council

Other (please state)

If third sector, private sector, higher education/university or other please provide charity and/or company registration number.

Charity number:

Company number:

For all bids. If VAT is applicable to your organisation, please provide VAT number:

GB657846778

Part 2 – Subsidy control and State aid analysis

If the Levelling Up Fund is used to provide a subsidy, expenditure must be compliant with the UK's obligations on subsidy control. All bids that have the potential to be a subsidy must consider how they will deliver in line with subsidy control principles (or State aid for aid in scope for **Northern Ireland only**) as per [UK Government guidance](#).

All applicants must establish if the direct award of LUF funds could constitute a subsidy. It is vital that all applicants complete this section of the application form. **Where applicants do not adequately demonstrate that the LUF award is compliant under the UK Subsidy Control Regime or State aid rules then the project could be considered ineligible and the application may be rejected.**

<p>2.1. All applicants must establish if the direct award of LUF funds from UK Government to you (as the applicant) could constitute a subsidy.</p> <p>Applicants must consider whether any of the planned activities meet each of the four key characteristics which indicate if it would be considered a subsidy.</p> <p>If any of the four responses is a 'No' then the award is not considered to be a subsidy.</p>	
2.1.1	<p>Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?</p> <p><input type="checkbox"/> Y <input type="checkbox"/> NX</p>
2.1.2	<p>Does the support measure confer an economic advantage on one or more economic actors?</p> <p><input type="checkbox"/> Y <input type="checkbox"/> NX</p>
<p>North East Lincolnshire Council.</p>	
2.1.3	<p>Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?</p> <p><input type="checkbox"/> Y <input type="checkbox"/> NX</p>
<p>North East Lincolnshire Council will be the primary beneficiary of the grant, as the funding will allow it to assemble land and then carry out the Freshney Leisure Scheme. However, in carrying out the development, the Council's purposes is, in accordance with its statutory powers, to enhance the social and economic well-being of the inhabitants of its area.</p>	
2.1.4	<p>Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?</p>
<p>No, the project is addressing a market failure within Grimsby town centre, i.e., the private sector is not in a position to undertake this development and so the Council is stepping in to do so, in line with its statutory powers, to enhance the</p>	

social and economic wellbeing of the inhabitants of its area.

In addition, all contractor appointments will be subject to the Public Contracts Regulations 2015, therefore no selective benefit will pass to the building contractor or other appointed contractors.

In terms of other users that occupy the development they will be charged on normal commercial and market terms relevant to the nature of the use.

Consequently, it is unlikely that the grant will constitute a subsidy.

2.1.5 Did you respond 'Yes' to all the above? If so, the planned activities meet all four key characteristics which indicates it would be considered a subsidy.

Y NX

2.2. Please demonstrate how the direct award of LUF monies from UK Government to you (as the applicant) has been considered under each of the subsidy principles.

This will involve consideration of the how the subsidy can be provided in accordance with the following Subsidy Control principles listed in the Subsidy Control Bill:

If the proposed LUF activities do represent a subsidy and all principles have been met, the LUF application will be considered compliant.

2.2.1 Subsidies should pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective")

Please demonstrate how your bid meets this principle.

The project originated from the Government's "Our Plan for the High Street" launched at the 2018 Budget forming part of a pathway to levelling up town centres and high streets. On this basis the public policy objective behind the project is clear. Specifically, here it is to address market failure by delivering a new leisure hub and market on a key town centre site to diversify Grimsby's town centre offer and to expand its day and evening economy resulting in increased footfall and spending within the town centre.

There is clear market failure and equity rationale here in that Grimsby town centre currently has little to offer its residents and visitors seeking leisure activities and entertainment, with no cinema in the town and a declining retail market it has little appeal to families and offers limited scope for a buoyant evening economy. These factors have contributed considerably towards performance declines and despite significant efforts in recent years to deliver largely private-led town centre leisure schemes, viability challenges have meant that none have come to fruition. Retail performance in Grimsby Town Centre has declined at a worryingly fast pace and this is best evidenced by the performance of Freshney Place, the town's main shopping centre which houses almost 60% of the town centres high street retail/service capacity. Redacted

In the absence of the funding, it is considered likely that town centre values would follow a similar trend to that observed over the past decade or so. Evidence demonstrates the significant decline in performance across the commercial property market in Grimsby Town Centre, with evidence highlighting:

- Dwindling town centre footfall at a significantly faster rate than nationally – at -14% vs -5% across the UK (2016-2018).
- 65% fall in town centre footfall between 2011 and 2021, with little signs of post-Covid recovery in the first five months of 2022

- Among the highest net losses of national/regional multiple retailers, with 16 stores closing and only 6 new multiples locating in the town centre (2017). Major closures/relocations include BHS, Sports Direct, WH Smith, Game, Greenwoods, Monsoon, Virgin and House of Fraser.
- Very high town centre vacancy rates that have risen dramatically, with 14.6% of town centre floorspace currently vacant vs a UK average of c.10%.
- Vacancies are concentrated in those parts of Freshney Place which have low footfall and in Victoria Street West. When measured in 2019, over 40 units had been vacant for 6+ months.
- Weak retail performance has depressed prime town centre retail rents - currently £60 psf Zone A vs £87 across 200 PROMIS monitored centre.
- There has been a 35% decline in Zone A rents in Grimsby Town Centre since 2017.

The above suggests that without investment in town centre leisure improvements, the counterfactual position would be that there would be a continued decline in town centre commercial property performance in Grimsby Town Centre.

Whilst NELC and its partners will continue to pursue a package of interventions that could support town centre success in much the same way that it has done for decades, the declines in town centre performance are largely driven by macro-economic external factors, including growth in online retail, and in the absence of the funding it is considered that the observed declining trend would continue.

Through bringing diversity, the Council is confident the subsidy can correct this market failure by creating significant footfall attractors to the town, with the capability for over 500,000 extra town centre day and evening trips annually.

This can create a stimulus for the next stage of investment and lead to added momentum and a self-sustaining cycle of investment, that sees the repurposing of redundant retail and attracts a more diverse business mix. This will promote the 'Top Town' and wider town centre as a safe and welcoming destination to a much wider audience, increasing footfall and dwell times, as well as providing residents and visitors with access to a new leisure attraction and a new public square.

2.2.2 Subsidies should be proportionate and limited to what is necessary to achieve the objective

Please demonstrate how your bid meets this principle.

The level of funding required to support this project is detailed within the bid document but is based upon detailed analysis by the Council's team of professional advisers, as highlighted in section 6.1.6.

This consists of cost estimates for required acquisitions and leasing incentives, provisions for professional fees, etc. In addition, extensive building surveys have been carried out to provide estimates for the construction costs, with appropriate provision of inflation, contingency, etc.

Consequently, the project team has a good understanding of the delivery costs associated with the scheme and therefore is assured that the grant amount requested is proportionate and is limited to the objectives and activities it is seeking to address.

At business case stage various options for the project were considered and the project has been revised to what is considered the minimum scale to achieve the transformational impact required.

In addition, the total project cost (£30,987,129) is larger than the grant ask (£20,000,000) and NELC will be providing the match funding required to meet this gap.

During the delivery of the project the Council will be engaging with the marketplace on market terms by using competitive tendering processes when identifying contractors and suppliers to ensure no subsidies are given.

2.2.3 Subsidies should be designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided.

Please demonstrate how your bid meets this principle.

Redacted.

A private sector led scheme with similar objectives has previously failed within Grimsby town centre due to viability concerns. The previous owners of Freshney Place previously sought to deliver a private sector-led scheme to develop a 9-screen multiplex cinema, ancillary retail and surrounding works on the Riverhead Square site (at the eastern end of the shopping centre). Although the proposals were granted planning consent in 2018 and a cinema pre-let secured, the changing UK leisure market meant that the scheme comprising 8 restaurant units could not meet the developer's viability requirements, despite significant occupier interest leading to a withdrawal of the scheme.

This clearly demonstrates the project could not proceed without LUF.

2.2.4 Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.

Please demonstrate how your bid meets this principle.

Redacted

2.2.5 Subsidies should be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.

Please demonstrate how your bid meets this principle.

Redacted. In addition, through the creation of schemes such as LUF and the Future High Street Fund, the Government has identified that subsidies are an appropriate policy instrument to achieve a more balanced UK economy and regeneration of town centres and high streets.

2.2.6 Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom.

Please demonstrate how your bid meets this principle.

The Council considers that the negative effects on trade or investment between the parties is minimal at most, and therefore proportionate against the Funding's objectives.

2.2.7 Subsidies' positive contributions to achieving the objective should outweigh any negative effects, in particular the negative effects on trade or investment between the Parties.

Please demonstrate how your bid meets this principle.

The scheme is local to North East Lincolnshire, which is a self-contained local economy and therefore the Council considers that it will have minimal impact.

In addition, by delivering this scheme the Council is carrying out its statutory powers in terms of enhancing the social wellbeing of the inhabitants of its area.

Finally, as highlighted above, all procurement will be tendered openly.

2.3 All non-public sector applicants delivering in Northern Ireland. If the award of funds is or isn't considered to be a subsidy please set out in detail how you will deliver the funds compliantly under the subsidy regime.

If you are proposing to allocate some of the grant funds to third parties, such as a project

partners working with you to deliver the project, (e.g. sub-granting) please identify how you will ensure disbursement of the grant is done so in accordance with the UK subsidy control regime.

The department will need to assess how funds will be awarded and how risk is managed.

2.3.1 All non-public sector applicants delivering in Northern Ireland.

Confirm that you have obtained and uploaded independent legal advice that is aligned to your response in this section and verifies that the award of funds is considered to be UK subsidy control regime and/or State aid compliant.

Y N

2.4 Public authorities only.

Please confirm if you will be disbursing the funds as a potential subsidy to third parties.

Y N

2.5 Public authorities only.

Confirm that you have completed pro forma 5 statement of compliance signed by your Chief Finance Officer.

Y N

2.6. Public and private sector applicants for delivery in Northern Ireland only.

Is the direct award of funds from UK Government to you (as the applicant) considered to be as State aid under the four EU State aid rule tests?

Y N

2.6.1 Is the support granted by the state or through state resources?

Y N

2.6.2 Does the support confer a selective advantage to an undertaking?

2.6.3 Does the support distort or have the potential to distort competition?

2.6.4 Does the support affect trade between EU member states?

2.6.5 Do the planned activities meet all four key State aid tests?

If all four tests are met then the award constitutes State aid and must comply with the State aid law.

<p>Y <input type="checkbox"/> N <input type="checkbox"/></p> <p>2.7 For private sector applicants, what is the size of the enterprise applying for funding?</p> <p>Refer to the official SME definition.</p>
<p>2.8 Please list all the organisations (if known) which may benefit from the funding of the project and any economic benefit they may receive as a result of the funding.</p>
<p>2.9 Applicants must consider whether the award meets all the tests for each beneficiary.</p> <p>If beneficiaries are considered to be in receipt of State aid then you must consider how this is compliant under the State aid rules.</p> <p>Applicants may wish to refer to the European Commission's "Notion of State aid" guidance.</p> <p>(see table in guidance note)</p>
<p>2.9.1 Where a project is funded under an exemption based on the General Block Exemption Regulations (651/2014), the Applicant is required to either</p> <p>a) confirm that the project falls within the scope of Regulation 6(5) or</p> <p>b) submit a separate document to demonstrate incentive effect in line with Regulation 6(2) containing the following information:</p> <p>i) the applicant undertaking's name and size</p> <p>ii) a brief description of the project, including start and end dates</p> <p>iii) the location of the project</p> <p>iv) a full list of the project costs used to determine the allowable level of funding</p> <p>v) the form of the aid</p> <p>vi) the amount of public money needed for the project.</p>
<p>2.9.2 Do you confirm that the project falls within the scope of Regulation 6(5) under the General Block Exemption Regulations (651/2014)</p> <p>Y <input type="checkbox"/> N <input type="checkbox"/></p>
<p>2.9.3 If no, confirm that you have attached document containing the required information.</p>
<p>2.9.4 If you intend to use an exemption(s) under GBER to deliver the project, please confirm you have read the terms of the scheme and meet all the relevant terms.</p> <p>Y <input type="checkbox"/> N <input type="checkbox"/></p>

2.9.5 Identify the GBER provision, the title of the scheme and the amount of LUF award to be delivered under the provision. Describe how you meet all the relevant terms of the exemption.

2.10 As the bidding organisation are you subject to an outstanding recovery order in respect of State Aid? If 'Yes', provide brief details.

Y N

2.11 Describe the system in place for collecting and recording the required information for State aid audits and returns.

2.12 All non-public sector applicants delivering in Northern Ireland.

Confirm that you have obtained and uploaded independent legal advice that is aligned to your response in this section and verifies that the award of funds considered to be State aid compliant.

Part 3 – Bid summary

In this section applicants should provide the core details of their bids; clarifying what, where, how and how much. If your bid is a package bid you should also complete Application Form [Annexes A – C](#).

To note, word counts are included for several questions throughout the application form, these are provided as a guide only. The level of detail you provide should be proportionate to the amount of funding that you are requesting.

3.1 Bid Name: **Freshney Leisure Scheme**

3.2 Please provide a short description of your bid, including the visible infrastructure that will be delivered/upgraded and the benefits that will be felt in the area

(100 words max)

The well-advanced Scheme will complete land assembly and remove aged detractor buildings on a 1ha site in Grimsby Town Centre, thereby freeing-up capacity for new destination leisure on a key gateway adjoining Freshney Place Shopping Centre.

It will deliver (a) a new 5-screen multiplex cinema, (b) ancillary leisure and food and beverage space and (c) a re-provided 'Top Town' market and food hall, centred around (d) a modern public square.

Providing a currently absent leisure offer is critical to town centre sustainability and success, thereby addressing worryingly fast performance declines and long-standing town socio-economic and demographic challenges.

(97 words)

3.3 Please provide a more detailed overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions.

(500 words)

Scheme Context

In 2020, NELC successfully secured Future High Street Fund (FHSF) investment to enable a transformation of the western end of Freshney Place Shopping Centre, with the Freshney Leisure Scheme delivering a new and currently lacking destination leisure offer for Grimsby.

Grimsby itself has a major deficit in town centre leisure, and although North East Lincolnshire (NEL) is building a new economic future around successfully growing its already strong industrial offer, this success is being undermined by a significant rapid hollowing-out of the town centre offer.

The ambitions for creating a town centre destination leisure offer therefore remains, but in January 2022 the owners of the Shopping Centre went into receivership and NELC is now proactively progressing a strategy to purchase the Centre, via a requested reallocation of NEL's FHSF grant (awaiting decision). NEL has recently agreed a deal to acquire Freshney Place, with Cabinet and Full Council backing.

This application therefore seeks LUF investment to now deliver the Freshney Leisure Scheme as originally planned.

The Freshney Leisure Scheme

The scheme will deliver a major destination leisure product on the c.1 ha Freshney Leisure Site, which currently houses:

- Top Town Market - 3,863 sqm GEA (c.2,800 is functional)
- Market Rooftop Car Park – 118 spaces
- Freshney Place Flottergate Mall / Former BHS Building – 6,711 sqm retail
- Bull Ring Lane Parade – 660 sqm retail

Redacted

Demolition of existing buildings will then to create the development platform for a comprehensive leisure scheme. Upon delivery, NELC will manage the new leisure assets as a part of the overall Freshney Place management strategy, which will see professional Asset Managers appointed.

A comprehensive leasing strategy will be developed to attract occupiers and this will be augmented with an incentive package will help to attract new leisure operators. Market hall traders will also relocate from Freshney Place into a new market building on the site.

The Scheme will deliver 6,496 sqm of new GEA development and a 3,468 sqm new public square as follows:

- New cinema (5 screen) on the current Market Hall plot: 1,709 sqm
- New supporting leisure space provided onto Bull Ring Lane: 1,356 sqm
- New/Upgraded food and beverage units (four): 1,564 sqm
- Relocated Top Town Market and Food Hall: 1,867 sqm

- New Public Square and Events Space: 3,468 sqm



Scheme Benefits

The Scheme represents the single largest opportunity for addressing core town challenges associated with (a) extending and diversifying the town centre leisure offer (b) addressing town centre retail and wider vitality challenges and (c) tackling demographic and legacy socio-economic challenges facing Grimsby.

It is integral to the success of major masterplanned investments across the town centre and beyond, with Town Deal, FHSF, HAZ and now Freeport investment bringing a step change in town performance. Without Freshney Leisure Scheme delivery, the overall success of the transformative package is severely jeopardised.

(519 words)

3.4 Please provide a short description of the area where the investment will take place. If complex (i.e. containing multiple locations/references) please include a map defining the area with references to any areas where the LUF investment will take place.

For transport projects include the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.

(500 words)

Grimsby Town Centre Context

NEL lies on the East Coast, at the mouth of the Humber Estuary. Until the mid-20th century the borough’s main town – Grimsby – had the largest fishing fleet globally, but it has since suffered from decades of post-industrial decline.

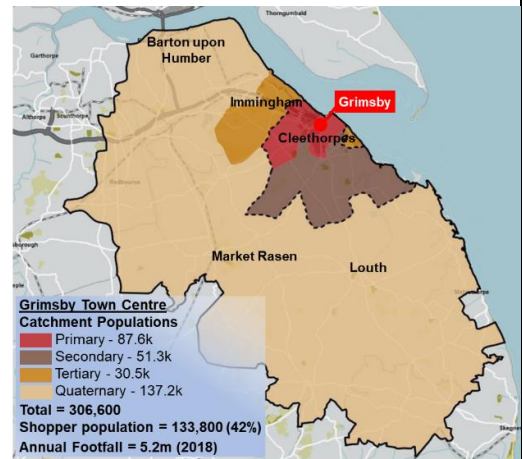
Located on the South Bank of the Humber ‘Energy Estuary’, concerted efforts for re-purposing Greater Grimsby (and NEL) have meant the borough now well-underway with building a new economic future, focussed on its strengths (a) as one of Europe’s leading centres for offshore wind, (b) the continued transition to a low carbon economy, (c) export-led growth in port-related logistics and manufacturing, (d) chemicals/petrochemicals and (e) a food processing legacy.

The Humber is among the UK’s most important trading estuaries and the Ports of Immingham and Grimsby remain the largest UK ports by tonnage handled. The national importance of the trading estuary is clear and the Government’s recent Freeport designation confirms this.

NEL is home to 156,900 residents, with over 50% living in Grimsby. Population growth has been slow and there has been a decline in working-age residents locally, with demographic projections forecasting a loss in NEL residents over the coming years.

In a comparably 'remote' town with highly self-contained labour and retail market catchments, the effects of slow growth will inevitably impact on performance, in a town that is already left with significant legacy socio-economic challenges - including low workforce engagement rates, low earnings and high levels of poverty, worklessness and acute deprivation – in 2019, Greater Grimsby was the 34th most deprived Parliamentary Constituency Areas (PCA) nationally (out of 533 PCAs), placing it among England's 10% most deprived.

Despite these challenges, Grimsby Town Centre (known locally as 'Top Town') remains NEL's principal retail core, providing a vital sub-regional retail, leisure and administrative role. With the nearest competing centres (Hull and Lincoln) being 35-miles away.

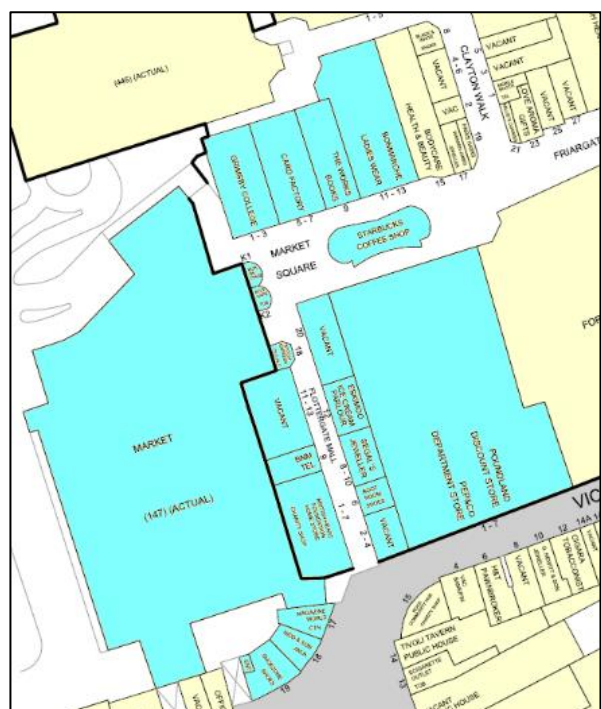


Grimsby Town Centre serves a wide 306,600 catchment population, with around 79,000 sqm of retail / service space present, but the retail offer has weakened significantly in recent years.

Town centre performance has declined at a worryingly fast pace, largely due to a mix of (a) a weak retail, leisure and town living offer, (b) a comparably poor urban environment, (c) high crime rates and (d) depressed resident earnings. Collectively, these factors deter day and evening visits to the town centre and this has led to PROMIS rating Grimsby Town Centre as an 'average weak town'.

Much of the town centres retail offer (c.59%) itself is within Freshney Place Shopping Centre, developed in 1969 as Northern Lincolnshire's largest covered shopping mall. Freshney Place dominates the urban form, running between the main pedestrianised 'high street' spine (Victoria Street) and the Frederick Ward Way inner ring road. The shopping centre acts as a 'high street' in its own right, providing important town centre connectivity.

The Freshney Leisure Scheme Site



The 1 ha Freshney Leisure Scheme site is located at the western end of Freshney Place, with the external area characterised by tired 1960's and 1970's 'detractor' commercial buildings that are either currently vacant or housing predominantly low-end retail.

The site includes (a) the former BHS building; (b) Freshney Place Flottergate Mall, Market Square and Friargate; (c) Top Town Market and rooftop carpark and (d) Bull Ring Lane retail parade, as shown above.

The Scheme itself is well-positioned at the heart of town centre, amid a range of major masterplanned transformative regeneration plans, also shown above.

Most other Grimsby Town Centre Masterplan (2020) schemes are underway, via a mix of Town Deal and HAZ investment.

(584 words)

3.5 Please confirm where the investment is taking place (where the funding is being spent, **not** the applicant location or where the bid beneficiaries are located).

If the bid is at a single location please confirm the postcode and grid reference for the location of the investment.

If the bid covers multiple locations please provide a GIS file. If this is unavailable please list all the postcodes / coordinates that are relevant to the investment.

For all bids, please confirm in which constituencies and local authorities the bid is located. Please confirm the % investment in each location.

DN31 1EB - 53.564871960834424, -0.08826613426208496

3.6 Please confirm the total grant requested from LUF (£).

£20,000,000

3.7 Please specify the proportion of funding requested for each of the Fund's three investment themes:

Regeneration and town centre (%) – 80%

Cultural (%) – 20%

Transport (%)

3.8 Please tick one or more sub-categories that are relevant to your investment:

Regeneration

Commercial

Civic

Residential

Other

Cultural

Arts & Culture

Creative Industries

Visitor Economy

Sports and athletics facilities

Heritage buildings and sites

Other

Transport

Active Travel

Buses

Strategic Road
Rail
Aviation
Maritime
Light Rail
EV Infrastructure
Local Road
Other

3.9 Please provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome. Where a successful outcome might lead to you no longer requiring the LUF grant please provide details and confirm when might you expect the outcome to be known.

(150 words)

The Freshney Leisure Scheme was previously awarded £17,280,917 of Future High Streets Fund (FHSF) grant, of which £749,568 has been invested to date in further developing the Scheme.

In response to Freshney Place Shopping Centre going into receivership in January 2022 (the owners of which were previous Scheme partners), NELC has taken a strategic decision to acquire the Shopping Centre, thereby bringing the critical town centre asset into Council control to safeguard its ongoing operation, whilst also enabling the originally envisaged FHSF Scheme to still progress.

The Council has therefore submitted a Change Request to DLUHC (June 2022) seeking a reallocation of NEL's FHSF grant to now be used to purchase the Centre (awaiting decision) and in July 2022, NELC agreed a deal with the shopping centre owners / receivers to acquire Freshney Place, with Cabinet and Full Council backing.

Consequently, under current expectation, the acquisition will complete in July 2022.

No further funding applications for the Freshney Leisure Scheme have been made.

(163 words)

Part 4 – Strategic Fit

4.1 Member of Parliament Endorsement (England, Scotland and Wales ONLY)

4.1.1 Has an MP given formal priority support for this bid? Y/N

4.1.2 Please confirm which MP has provided formal priority support:

4.1.3 Which constituency does this MP represent? Great Grimsby

Please also complete **pro forma 6**.

Yes

Lia Nici MP

Great Grimsby

4.2 Stakeholder Engagement and Support

Applicants are encouraged to engage with a wide range of local stakeholders and the local community to inform proposals in the bid and to secure buy in.

4.2.1 Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses). How has this informed your bid and what support you have from them?

(500 words)

The Scheme has been subject to several iterations of engagement with stakeholders and the community, which have shaped the Freshney Leisure Schemes development, as outlined below.

A fuller account of consultation to date is provided in Appendix 6.

Community

Views of the wider community have shaped the current proposal, via consultation, town centre surveys, and development of the Grimsby Town Centre Masterplan.

Various surveys seeking the community's views on Grimsby Town Centre identified the need for a more varied entertainment and leisure offer that would attract more footfall and usage. These views helped initiate the Scheme by identifying demand for a new town centre leisure offer.

Subsequent consultation was undertaken in support of the Grimsby Town Centre Masterplan in 2019/20, which reiterated support towards transformation town centre regeneration plan, including support towards diversification of uses and developing a new leisure offer.

Furthermore, to support development of this bid, an online consultation exercise has been carried out by the Council (2022), targeted at businesses and the public, seeking further views on the Preferred Option Scheme. This has generated over 740 responses with c.80% of respondees in favour of the Scheme.

Stakeholders

Several stages of stakeholder engagement have also taken place with:

- Top Town Market traders
- Freshney Place tenants
- North East Lincolnshire Council

These key stakeholders have been involved from the Schemes conception, which in turn has helped shape the current proposal.

Detailed stakeholder consultation was completed in June 2020, which identified widespread support for the Freshney Leisure Scheme among the most affected businesses.

Further consultation since 2020 with political representatives, other local businesses, and the community, including with wider shopping centre businesses and the nearest cinema operator (c.5 miles away), also found widespread support.

Successful consultation to date has helped to identify and garner consensus for the Preferred Option Freshney Leisure Scheme. Soft-market testing with potential leisure operators has also confirmed significant interest in the Scheme, which in turn has brought improved assurance of deliverability.

All elements of the Scheme, including stakeholder and community engagement, have been regularly reported to the Council's cabinet and political representatives who have agreed and endorsed ongoing development and delivery of the Scheme.

As a matter of course, ongoing consultation with relevant stakeholders will be continue throughout Scheme development and delivery, including seeking planning approvals and ongoing dialogue with market traders and other affected businesses.

(447 words)

4.2.2 Has your proposal faced any opposition? Please provide a brief summary, including any campaigns or particular groups in support or opposition, and if applicable, how will you work with them to resolve any issues.

(250 words)

As highlighted above, the Council has undertaken consultation with stakeholders and the community, which has attracted wide support towards the Scheme.

The Scheme has not generated opposition, but negative views provided via the consultation exercises have centred on the following areas.

- Scepticism around delivery, believing that no such development will take place, based on historic proposals.
- Some views that the market would be better located elsewhere (outside Freshney Place) or kept in its current location.
- Scepticism that the area can support two cinemas.
- Generally negative views of the wider town centre and scepticism that the development will attract visitors.

Most negative views are based upon scepticism, both regarding Scheme delivery and whether it will have the intended impact on the town centre. The Council will seek to address the first issue by providing regular progress updates to assure the community regarding delivery.

Regarding the second issue, this Scheme represents the first step towards addressing surplus retail in Grimsby Town Centre, alongside diversification towards a new destination leisure offer, and the temporary market move is considered the optimum solution needed to ultimately bring new life and new purpose to the market. For the market relocation plans, all options are being reviewed regarding the market location and this is being backed by ongoing positive consultation with traders.

On the third point, ongoing soft market testing and research has identified sufficient demand for the Council to proceed with the cinema proposal and in July 2022, NELC agreed Heads of Terms with Parkway Cinemas (the operator of the other NEL cinema in Cleethorpes) as the operator of the cinema to form at the Freshney Leisure Site. Consequently, solicitors have now been instructed for a pre-let with Parkway.

Collectively the package of regeneration Schemes (Town Deal, FHSF, HAZ, Freeport and other sought LUF investments) will help change current perceptions and attitudes towards the town centre and wider NEL area. The Council will support this by providing regular communication updates and activities regarding all projects, to encourage people into town centre.

(335 words)

4.2.3 Do you have statutory responsibility for the delivery of all aspects of the bid?

If no:

- Please confirm those parts of the project for which you do not have statutory responsibility
- Please confirm who is the relevant responsible authority
- Please confirm that you have the support/consent of the relevant responsible authority

The Council possesses all the relevant statutory responsibilities it requires to deliver the Scheme, including ownership and public highway responsibilities.

4.3 The Case for Investment

Applicants should use this section to detail a compelling case for why the proposed investment supports the economic, community and cultural priorities of their local area.

Applicants should upload their completed Theory of Change model that supports this section at the time of submission.

For package bids, an explanation should be provided as to how the component projects are aligned with each other and represent a coherent set of interventions.

4.3.1 Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to.

(500 words)

Grimsby Town Centre is northern Lincolnshire's primary centre, but depressed wage rates and a declining catchment population have inevitably impacted on town centre vitality. In recent years, the town centre has largely lost its comparison goods offer, which (alongside Covid-19) has exacerbated declining footfall and spending in a centre with already high vacancy rates and suppressed rents.

Town Centre retail performance has declined worryingly fast, best evidenced by the performance of Freshney Place Shopping Centre, which houses c.60% of the town centres high street retail/service capacity. Redacted.

The borough is progressing a new industrial future, on the back of major strengths as one of Europe's leading centres for offshore wind, the continued transition to a low carbon economy, export-led growth in port-related logistics and manufacturing, chemicals/petrochemicals and a food processing legacy. The Humber is itself among the UK's most important trading estuaries as confirmed by the Government's recent Freeport designation.

Without a resilient, well-performing and sustainable town centre, this success will ultimately be compromised and there is an overriding need to bring renewed purpose and vitality to Grimsby Town Centre, but at present the centre lacks diversity.

The Freshney Leisure Scheme will be a critical to addressing three core town challenges:

1. **Challenge 1: Extend and diversify the town centre leisure offer** - Grimsby Town Centre has an almost non-existent leisure offer, with a very limited museum and venue offer, no chain restaurants and no cinema. Proximate comparable towns (Scunthorpe and Lincoln) have a cinema, whilst Hull has three. Although various arts programmes take place, these are largely confined to the Minster and Top Town Market, which are constrained by space and their alternative primary uses.

For a town the size of Grimsby, there are key components missing and this impacts on footfall, dwell times and day and evening spending. Wider arts, cultural and leisure participation is also among the lowest in England with just 1 in 3 residents participating in at least one relevant activity per year versus 44% nationally.

2. **Challenge 2: Respond to retail market change and create an evening economy** – The loss of comparison retail, the rise in online shopping and fragile consumer confidence has meant that town centre footfall has declined worryingly fast – down 65% between 2011 and 2021.

Redacted.

3. **Challenge 3: Tackle socio-economic and demographic change** – The Great Grimsby PCA is among England's most deprived 10% (ranked 34 out of 533 PCAs, IMD 2019) and half of neighbourhoods are among England's most deprived 10%, including the town centre ward (West Marsh). These areas suffer from acute worklessness, economic inactivity, poor health and high crime rates, with West Marsh having the highest crime rates in NEL. 37% of those surveyed by NELC stated that they did not feel safe in the town centre during the day, rising to 77% after dark.

The PCA's population has also contracted by 0.3% (2011-2020) compared to 6.5% growth nationally and this is due to significant losses (-5.6%) in residents aged under-50. Population decline inevitably impacts on spending, in an area where earnings are already very low (£26,315 pa vs £31,490 pa nationally). NELC must proactively address this challenge, including by ensuring an accessible leisure offer.

(641 Words)

4.3.2 Explain why Government investment is needed (what is the market failure)?

(600 words)

A decline in town centre performance and evidence for market failure in Grimsby Town Centre is clear. Whilst NEL is beginning its transition to a more diverse and modern economy, the town centre's overprovision of retail and lack of a significant leisure offer limits growth.

Whilst the nearest alternative cinema is 5 miles away in Cleethorpes, attempts to deliver leisure in Grimsby have previously stalled, owing to changing market conditions and viability challenges. Freshney Place owners previously sought to deliver a 9-screen multiplex cinema, ancillary retail, and surrounding works on Riverhead Square (at the eastern end of the shopping centre), and although granted planning (2018) and a cinema pre-let secured, the changing UK leisure market meant that the larger scheme comprising 8 restaurant units could not meet the developers viability requirements, despite significant occupier interest.

This situation is not unusual, and public promoters nationally have become increasingly involved in delivering cinema-led leisure schemes, based on fewer restaurants and the public sectors ability to invest for the longer term. Despite structural changes taking place in the casual dining market, alongside Covid-19 impacts, there is confidence in securing occupiers for a scheme that has fewer restaurants, a greater mix of uses and is focused on regional/local rather than national chains. The recently secured Heads of Terms over a pre-let with Parkway Cinemas is testimony to this.

Funding is however required to address development costs as a pre-requisite to transformation there is no private-led solution to delivering the Freshney Leisure Scheme.

In Grimsby, a town that lacks any discernible leisure offer, there is clear **information failure**, with the Freshney Leisure Scheme providing the ideal 'market making' solution for demonstrating demand for town centre day and evening leisure. Through bringing diversity, state intervention via LUF can correct this market failure by creating a significant footfall driver, with the opportunity for around 500,000 extra town centre day and evening trips annually. This can catalyse future investment, bringing added momentum and a self-sustaining cycle of investment in the town that see's repurposing of redundant retail and attracts a more diverse business mix.

In many respects, the new public square will be of **public good**, and it will be non-excludable (i.e. no-one can be excluded from benefiting from it) and non-rivalrous (i.e. an individual's consumption does not reduce the availability for others to consume it). Without LUF intervention, the square will not be delivered by the private sector as it does not present an immediate opportunity for commercial return.

Market failure also arises from **negative externalities**, where there is compelling evidence to suggest that investment in the 'public good' and leisure works can both incentivise and de-risk private sector investment by addressing 'up front' externalities that could otherwise have a negative impact on town centre performance. In Grimsby however, there is a risk that a lower quality more limited leisure product will not bring sufficient critical mass to incentivise a private-led response across the town centre, thereby reversing the notable declining performance trend.

This demonstrates the need for comprehensive redevelopment of the Freshney Leisure site, but owing to viability challenges it is clear there is no private-led solution. In the absence of the Preferred Option scheme, the counterfactual position would be that Grimsby Town Centre continues to decline at a worryingly fast rate. In this sense there are clear government distributional objectives to be met.

558 Words

4.3.3 Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location.

For large transport bids

£20M - £50M applicants should submit an Option Assessment Report (OAR).

(750 words)

Scheme Rationale and Challenges Addressed

The Scheme has been designed as a major catalyst for town centre transformation, with all aspects addressing challenges associated with:

- 1) **Extending and Diversifying the Town Centre Leisure Offer** – Providing a comprehensive leisure scheme that radically extends the leisure offer, thereby bringing new spending at the core.
- 2) **Responding to Surplus Retail Challenges and Creating an Evening Economy** – Consolidating surplus retail and creating a new evening (and daytime) destination
- 3) **Tackling Socio-economic and Demographic Change** – Ensuring Grimsby has a competitive attractive offer for residents (particularly younger residents), whilst also supporting town centre vitality to address persistent town deprivation.

Site Optioneering and Current Use

Early optioneering in 2019 identified the best location for a new comprehensive leisure, with the Freshney Leisure/Market Hall site selected as the ideal location.

The site is at the western end of Freshney Place in an identified masterplan regeneration area. The area provides important gateway connectivity between Victoria Street West, the shopping mall and the office, hotel and leisure offer forming in the town's Minster Quarter and Grimsby's rail station.

The modern, well-designed and well-orientated destination will provide a new focal point fully integrated with adjacent streets (Old Market Place and Victoria Street West - the traditional 'high street'). Physical and visual Freshney Place connectivity will ensure a well-embedded town centre experience that complements the wider Grimsby Town Centre Masterplan (2020) set transformations underway.

The scheme is entirely inter-dependant and there is limited value for any 'scaling down', although a 'Do Less' reduced and lower spec test option was nevertheless fully considered and dismissed at FHSF stage.

The Freshney Leisure site currently contains:

- (a) **Former BHS building** – a large retail unit, temporarily occupied by Poundland.
- (b) **Freshney Place Flottergate Mall and Friargate** – the western end of the shopping centre containing 13 small retail units (of which 3 are vacant) and three small kiosks. Let units are home to a mix of chain clothing stores, food and drink retailers, charity shops and Grimsby College.
- (c) **Top Town Market and rooftop carpark** – Grimsby's main market hall containing 81 stalls and 9 units. 28 tenants currently occupying one or more units (c.41% occupancy). Since opening in 1976 the building has had piecemeal investment and is now at the end of its usable life.
- (d) **Bull Ring Lane retail parade** – a small retail parade currently home to three retailers.

The Freshney Leisure Scheme

The Scheme is a well-developed longstanding ambition, with appointed team resources in place and ready to move into the planning process at the earliest possible opportunity.

NELC already owns the Top Town Market and rooftop carpark located on the site and the Council is in the advanced stages of also purchasing Freshney Place Shopping Centre via FHSF investment. Consequently, c.95% of the site will be in NELC ownership by July 2022, with acquisition of remaining properties bringing the site into full Council control.

Redacted

Demolition of existing buildings will then create capacity for delivering a comprehensive leisure scheme by August 2025/26, comprising 6,496 sqm of new GEA development and a 4,487 sqm new public square.

A total of £30,987,129 of investment (Redacted) alongside £2,139,116 of gifted NELC assets will support:

- Acquisition of Bull Ring Lane Parade properties
- Demolition of the Top Town Market and rooftop carpark, Bull Ring Parade and Flottergate Mall
- Conversion and repurposing of the former BHS Building and four existing retail units at Friargate (1-13)
- Delivery of new adaptable Multiplex cinema (5-screens): 1,709 sqm
- Delivery of new supporting leisure space: 1,365 sqm
- Delivery of new food and beverage units: 1,564 sqm
- Relocation of Top Town Market in two phases: 1,876 sqm
- Delivery of new Public Square and Events Space: 3,468 sqm
- Delivery of new canopy and access improvements to Freshney Place Shopping Centre

Upon delivery, the future management strategy will see NELC retaining freehold control of the new leisure assets, with the current strategy being for NELC management via its appointment of professional asset managers. A comprehensive leasing strategy will attract occupiers, and this will be augmented with an incentive package will help to attract new leisure operators. Market hall traders will also relocate into the new market building.

(745 Words)

4.3.4 Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions.

(500 words)

This should be demonstrated through a well-evidenced Theory of Change. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1) and [MHCLG's appraisal guidance](#).

In light of known challenges and opportunities for a major transformation, the following Theory of Change for the Freshney Leisure Scheme has been set.

Freshney Leisure Scheme – Theory of Change

Context and Rationale

- Grimsby Town Centre has witnessed unprecedented declines in footfall, spending and town centre performance.
- Today the town centre is characterised by a poor-quality built environment, high retail vacancy rates, a weak office market and a very weak almost non-existent leisure offer
- Covid-19 has accelerated a declining trend, and the struggling Freshney Place Shopping Centre is now being acquired by NELC to bring the town centres most important asset (c.60% of its retail/service offer) into full control.
- The town itself has significant persistent legacy challenges, including very acute deprivation, low earnings, high levels of worklessness and low levels of workforce engagement and Grimsby's younger (under-50) population is now declining
- Attracting investment in Grimsby Town Centre is an imperative and major masterplanned transformation of the town centre is underway, but the success of Town Deal, HAZ, revised FHSF and forthcoming Shared Prosperity Fund investment ambitions would be severely compromised without developing a leisure offer at the core. Ambitions to maximise added value from the Freeport initiative may also be constrained.

Objectives

- Following Freshney Place Shopping Centre acquisition, complete the acquisition of Bull Ring Parade properties, relocate existing tenants and clear the site during 2023/24
- Provide 3,065 sqm of new cinema and leisure space to provide new town centre destination leisure assets by 2025/26
- Consolidate Freshney Place retail and re-provide 1,867 sqm of new Top Town Market and Food Hall and 1,564 sqm of ancillary food and beverage space by 2025/26
- Create a new 3,468 sqm modern town square by 2025/26

Inputs

- NELC Management
- Redacted

Activities

- Acquisition of Bull Ring Lane properties
- Vacant Possession and Business Relocations
- Detailed Design and Planning
- Operator Pre-let Agreements
- Demolition and Construction

- Monitoring and Evaluation

Outputs

- New 1,709 sqm 5-Screen Multiplex Cinema for Grimsby
- Re-provided and Refreshed 1,867 sqm Top Town Market and Food Hall
- 1,564 sqm of Ancillary Food and Beverage Space (four units)
- 1,356 sqm of Ancillary Leisure Space
- 3,468 sqm of modern Public Square and Events Space
- Freshney Place Entrance Improvements

Intended Immediate Outcomes

- Improved Town Centre Day and Evening Experience
- Consolidated Retail
- Business Diversity
- Extended Day and Evening Offer
- Increased Leisure Participation
- Improved Amenity and Safety
- Increased Town Centre Footfall, Dwell Times and Spending
- Freshney Place Shopping Centre Vitality

Intended Intermediate Outcomes

- Image Value and Improved Town Perceptions
- Improved Commercial, Retail, Office and Residential Market performance
- Reduced Town Centre Vacancy Rates
- Improved Labour Market Performance
- Reduced Deprivation
- Attraction and Retention of Residents
- Reduced Crime
- Investor Confidence in Grimsby and the wider NEL area
- Assured success of wider planned revised FHSF, Town Deal, HAZ and Freeport investments, alongside and other sought LUF schemes and the impending Shared Prosperity Fund projects

Intended Impacts

- Redacted

(493 words)

4.3.5 For package bids you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions.

(250 words)

N/A – The Freshney Leisure Scheme is a single project

4.3.6 Applicants should also briefly set out how other public and private funding will be leveraged as part of the intervention.

(500 words)

Redacted.

The Council also commits to relinquishing the Top Town Market and Food Hall asset it currently owns and Flottergate Mall and the former BHS building which the Council will soon be acquiring via its commitment to acquire Freshney Place Shopping Centre.

Redacted.

The Freshney Leisure Scheme has itself been a long-standing Council ambition, with full support from NELC Cabinet, as ratified most recently through Cabinet approval in June 2022. The Scheme is therefore fully endorsed across the Council.

(108 words)

4.4 Alignment with the local and national context

In this section, applicants should clearly articulate their alignment with any relevant local and national strategies and objectives concerning investment, infrastructure and levelling up. Applicants should explicitly state how the bid will substantially support the delivery of local and national policy objectives.

4.4.1 Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up.

For Northern Ireland, Scotland and Wales bids: In addition, explain how your bid aligns to the strategic plans and objectives of devolved administrations.

(500 words)

The Freshney Leisure Scheme is integral to the Grimsby Town Centre (GTC) Masterplan (2020), developed as a long-term investment framework for guiding projects and activities, thereby contributing to the Council's 'Stronger Economy' and 'Stronger Communities' priorities.

The Scheme complements all relevant pre-existing local/regional strategies as set out below.

Policy	Description / Drivers	Scheme Contribution
Regional Policy		
Greater Lincolnshire Strategic Economic Plan (SEP 2014-2030)	The SEP prioritises four sectors where Lincolnshire can grow UK plc and add value to the Government's Industrial Strategy. This includes the Visitor Economy as a priority sector. The SEP also supports area-based regeneration and growth in key towns, including Grimsby.	<ul style="list-style-type: none"> Delivers targeted regeneration in a SEP identified priority town and sector.
Midlands Engine Vision for Growth (2017)	The Vision identifies 5 priority areas of work in the Midlands to help achieve economic growth, including to Shape Great Places	<ul style="list-style-type: none"> Represents the greatest opportunity for place shaping in northern Lincolnshire's primary centre.
Greater Lincolnshire Local Industrial Strategy	Building on evidence base findings, the LIS identifies priorities to deliver greater productivity and earnings, levelling up within the region and UK, with a focus on sectoral innovation and human capital.	<ul style="list-style-type: none"> Supports the LIS priority for a high-quality inclusive visitor economy.
Local Policy		
Grimsby Town Centre Masterplan Framework (2020)	The Masterplan sets the vision, spatial strategy, character areas and principles for co-ordinated town centre regeneration, focused on introducing more diverse uses into the town centre, including by delivering a new comprehensive leisure offer.	<ul style="list-style-type: none"> The Scheme is identified as an integral project within the Masterplan.
NEL Housing Strategy (2017-2021)	The Strategy vision is for NEL residents to (a) enjoy and benefit from a strong economy; (b) feel safe and are safe; (c) enjoy good health and wellbeing; (d) benefit from sustainable communities; and, (e) fulfil their potential through skills and learning.	<ul style="list-style-type: none"> Drives housing demand locally, Ensures an inclusive strong economy.

NEL Economic Strategy (2021)	The Strategy sets the vision for (a) building on industrial strengths; (b) maximising low carbon and healthy initiatives; (c) investing in NELs workforce and (d) ensuring NEL towns are great places to live, work, invest, and stay.	<ul style="list-style-type: none"> The Scheme is incorporated into the long-term action plan.
Council Plan (2022)	The Plan sets ambitions for a Stronger Economy and Stronger Communities, with a vision <i>‘to promote the towns within NEL as great places to live, work, visit and stay, by revitalising town centres, supporting the growth of existing businesses and attracting new investment’</i> .	<ul style="list-style-type: none"> Support town centre success. Restores pride of place. Helps retain younger residents.
Local Plan (2013 – 2032) Adopted 2018, currently under review	The Plan sets a long-term spatial planning framework for NEL. It proposes a step change in the scale of development and investment in the area, including by extending the town centre leisure offer.	<ul style="list-style-type: none"> Delivers against ambitions for town centre vitality.
NELC Net Zero Carbon Roadmap (2021)	NELC has set out the commitment to make the Council a Net Zero carbon organisation by 2040.	<ul style="list-style-type: none"> Re-purposes existing buildings to ensure the town centre develops sustainably. Delivers energy efficient new and repurposed premises

(485 words)

4.4.2 Explain how the bid aligns to and supports the UK Government policy objectives.

For Northern Ireland, Scotland and Wales bids: In addition, explain how your bid aligns to any specific policy objectives, legal and statutory commitments relevant to the devolved administrations.

(500 words)

Repurposing and diversifying towns centres has been a growing national policy objective, particularly as a mechanism for levelling up ‘left behind’ northern towns. Covid-19 has confirmed the need for increased town centre resilience and looking forward, there is a need for ensuring urban cores are self-serving and sustainable. For Grimsby, a town with an almost non-existent leisure offer, the scheme offers a ‘market making’ opportunity for extending the towns offer and diversifying its use.

Consequently, the Freshney Leisure Scheme is entirely in keeping with national policy, including aligning directly with the Government’s recent **Future High Streets Fund, Towns Fund, and Levelling Up** agendas.

Specifically, the Scheme delivers against Towns Fund regeneration objective ‘ensure towns are thriving places for people to live and work, including by increasing density in town centres and strengthening local economic assets’. It also delivers against FHSF objectives ‘to renew and reshape town centres in a way that improves experience, drives growth and ensures future sustainability’. The Scheme is also well aligned with the broad objectives of Levelling Up to regenerate town centres and high streets in ‘left behind’ northern towns.

The Scheme is also well aligned with the following national strategies.

Freshney Leisure Scheme – National Policy Alignment

Policy

Description / Drivers

Scheme Contribution

Levelling Up (2022)	The Levelling Up White Paper sets twelve bold national missions that will shift Government focus and resources to Britain's forgotten communities throughout the 2020s. The missions include restoring a sense of community, local pride and belonging, especially in those places where they have been lost.	<ul style="list-style-type: none"> • Brings renewed pride of place. • Instils civic pride among residents. • Delivers renewed confidence among businesses and investors.
COVID-19 Recovery Plan (2021)	The Plan seeks to rebuild the UK for a world with COVID-19, including longer term ambition to get the economy moving again, in part by delivering major investment in capital projects, including via the LUF.	<ul style="list-style-type: none"> • Delivers a short-medium term response to economic recovery in Grimsby. • Restores confidence in town centre trading.
Build Back Better (2021)	The Plan seeks a transformation to tackling long-term problems, by delivering growth that creates quality jobs across the UK and by making the most of the strengths of the Union. It sets out that the UK must retain its guiding focus on achieving the people's priorities for levelling up, a transition to net zero, and a Global Britain.	<ul style="list-style-type: none"> • Drives renewed vitality in a town centre woefully underserved in leisure opportunities. • Delivers a transformation to redress acute town-wide deprivation.
National Infrastructure Strategy (2020)	The Strategy sets out plans to transform UK infrastructure in order to level up the country, strengthen the Union and achieve net zero emissions by 2050, including by creating regional powerhouses, making cities the engines of growth and revitalising towns.	<ul style="list-style-type: none"> • Delivers against ambitions to level up and revitalise a 'left behind' northern town
Net Zero 2050 (2021)	The Strategy outlines a decarbonisation pathway to net zero for key sectors of the UK economy.	<ul style="list-style-type: none"> • Delivering re-use of existing buildings through design, thereby contributing to sustainable development. • Provides more energy efficient new and repurposed premises

(498 words)

4.4.3 Where applicable explain how the bid complements / or aligns to and supports existing and / or planned investments in the same locality.

(100 words max per fund)

Grimsby is a town where coordinated action is needed to develop infrastructure and services that support commercial opportunities, providing a strengthened and more sustainable economic role. The town centre in particular needs radical, structural and sustainable change rather than piecemeal, fragmented and evolutionary improvements. Transformation must create a coherent, revitalised and distinctive offer that attracts local residents and visitors and gives businesses the confidence to further invest.

NELC is therefore embarking on a masterplanned 'once in a generation' transformation of Grimsby Town Centre, with major initiatives underway, including:

- **Future High Streets Fund:** In December 2020, the Government announced that the Council had been awarded £17.3m from the FHSF to deliver the Freshney Leisure Scheme, alongside significant local co-funding from NELC and the Shopping Centre owners. In January 2022, however, Freshney Place Shopping Centre went into receivership, and NELC is now seeking

approval from DLUHC to reallocate the remainder of the FHSF grant to help fund NELC's strategic acquisition of the Shopping Centre. This will enable the Freshney Leisure Scheme ambition to still progress.

- **Towns Fund:** Alongside Grimsby's national pilot Town Deal projects to bring new life to the West Havens Maltings Building and new public realm and footbridge to better connect the Garth Lane site to the town core, a further commitment to invest £20.9m of Towns Fund into the delivery of six further strategic priority projects, including (1) the next development of Garth Lane towards the creation of a major new waterfront residential community; (2) major enhancements to Riverhead Square to create a new public square; (3) pedestrian and cycle loops to connect the town centre and Alexandra Dockside; (4) refurbishment of the Central Library to support new business space, including a new Green Hub; (5) further regeneration of St James Quarter; and (6) the Activation Fund grant programme for community and local business-based initiatives which supports activity in the town centre.
- **Greater Grimsby Heritage Action Zone (HAZ):** The Greater Grimsby HAZ stretches from the Kasbah, a historic portside area of smoke houses, shops and factories associated with the fishing industry, along Alexandra Dock to the town centre. Launched in May 2018, the five-year heritage led regeneration programme seeks to reconnect Grimsby Town Centre with its waterfront, in particular by promoting re-use of historic buildings along Alexandra Dock. The HAZ programme has received funding from a number of organisations, including Historic England (HE), the Architectural Heritage Fund (AHF), Arts Council England (ACE), National Lottery Heritage Fund (HF), Cultural Development Fund (CDF), and Coastal Revival Fund (CRF).
- **Redacted.**
- **Other NEL LUF Scheme - Grimsby Town Centre Transport Hub and Cleethorpes Regeneration** – The Scheme will entirely complement plans to deliver a new Transport Hub in Grimsby Town Centre, with sought investment in the Hub via the LUF Transport allocation. The Scheme itself will be a driver of future demand for the Hub and both schemes are entirely complementary.

Similarly, the Scheme will complement the LUF submission for Cleethorpes which will kickstart the delivery of the Cleethorpes Town Centre Masterplan, led on by Hemingway Design (led by Wayne Hemingway MBE). This includes a landmark building at Sea Road, regeneration of Pier Gardens and rejuvenating Cleethorpes' historic Market Square.

- **NEL Shared Prosperity Fund (SPF)** - NEL's UK SPF will contribute activities and interventions specifically to complement and enhance LUF investments, with the primary focus of improving local pride in place, increasing life chances, and creating a sense of community and belonging. A mix of capital and revenue, the scheme will support a series of interventions including (a) local events and activities, campaigns to encourage visits, and the development and promotion of the visitor economy; (b) local arts, cultural, heritage and creative activities, strengthening local entrepreneurial ecosystems, and business support to drive employment growth, improve pride in place and reduce crime and (c) activities which support the town centre retail and service sector, attracts new business and visitors, creating a safe environment that improves dwell time.

Located at the very heart of Grimsby Town Centre, the Freshney Leisure Scheme is critical to the successful delivery of the town vision set out in the GTC Masterplan. The Scheme represents the most visible transform and change, and consequently is it key to maximising the success of all major initiatives underway.

(762 words – May need to condense down)

4.4.4 Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required.

(250 words)

Although not a local road project, the delivery of a new accessible modern public square will better connect key town centre hubs and encourage new movement within the town centre, with the intention

being to bring renewed vibrancy to an area of the town centre that currently lacks significant footfall.

Specifically, the Scheme will deliver important improved connectivity between Freshney Place Shopping Centre, Victoria Street West (the town's historic high street) and the office, hotel and leisure offer forming in the town's Minster Quarter and Grimsby's rail station.

In this respect, the Scheme will deliver against policy objectives for ensuring improved connectivity via sustainable modes.

The Scheme itself will also see the loss of some carparking (located on the roof of Top Town Market), although there are two alternative multi-storey carparks serving Freshney Place Shopping Centre and the wider town centre, with known sufficient capacity to more than mitigate against some lost town centre parking.

(155 words)

4.4.5 Please tick to confirm which of the following [Levelling Up White Paper](#) Missions (p.120-21) your project contributes to:

- Living Standards
- Research and Development (R&D)
- Transport Infrastructure
- Digital Connectivity
- Education
- Skills
- Health
- Wellbeing
- Pride in Place
- Housing
- Crime
- Local Leadership

And write a short sentence to demonstrate how your bid contributes to the Mission(s).

The Freshney Leisure Scheme will deliver a new comprehensive destination leisure offer designed to address a significant gap in leisure offer in Grimsby Town Centre.

At a basic level, the Scheme will radically improve the look and feel of a prominent gateway location in, thereby helping to raise living standards.

The Scheme has also been intrinsically designed to deliver improved security in NELs highest crime area, which currently witnessed high levels of anti-social behaviour. This will restore confidence in the town centre among residents, 47% of whom have indicated that they currently do not feel safe in the town centre during the daytime, rising to 77% after dark.

The Scheme will also help to restore civic pride, by bringing renewed pride in place among residents, with potential for improved wellbeing outcomes also likely.

(133 words)

Part 5 – Economic Case

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [DLUHC Appraisal Guidance](#). Please also see [Technical note](#).

5.1 Appropriateness of data sources and evidence

5.1.1 Please provide up to date evidence to demonstrate the scale and area; comparisons should be made between the significance of local problems and issues.

(500 words)

Redacted

5.1.2 Please demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased.

(500 words)

All comparator evidence used to demonstrate the scale and significance of local challenges and issues has been sourced as the latest available ONS evidence, accessed via NOMIS in May 2022. This evidence demonstrates the long-standing challenges within the PCA labour market and economy, which in turn only fuels high levels of deprivation.

Specifically, the following ONS surveys have been used:

- Economic Activity, Employment and Unemployment Rates – ONS Annual Population Survey, data for Year End December 2021
- Jobs Density - ONS Business Register and Employment Survey and ONS Mid-Year Population Estimates, data for 2020
- Earnings – ONS Annual Survey of Hours and Earnings (Workplace and Resident-based analysis, data for 2021)
- Indices of Deprivation 2019 by PCA and IMD 2019 LSOA evidence.

Other local evidence on town centre performance has been taken from:

- Springboard footfall monitoring data for Grimsby Town Centre (to 2022)
- Property Values - PROMIS yield evidence for Grimsby Town Centre (2022)
- Co-star Vacancy rate evidence for Grimsby Town Centre (2022)
- Redacted
- NELC Town Centre surveys

These are the best-available national evidence for informed decision-making locally, consistent with other evidence held locally. As such all evidence is considered robust and unbiased.

Whilst some evidence is yet to be fully understood, including the effects of Covid-19 induced lockdown and social distancing measures, the overriding view is that town centre performance has weakened and that recovery will take some time.

(231 words)

5.1.3 Please demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions.

(250 words)

All evidence demonstrating the scale of local challenges against wider comparators is focused on the Greater Grimsby PCA, which includes the town centre and Freshney Leisure site.

Freshney Place Shopping Centre is the very heart of Grimsby Town Centre, making up almost 60% of the town centre retail/service offer. The shopping centre is a significant driver of footfall, which in turn reinforces the profitability of a much wider business community.

Without investment to radically strengthen the leisure offer and improve town centre amenity, further footfall declines and lost profitability among town centre businesses is to be expected and as such, the spatial extent of 'spillover' commercial LVU claimed is considered reasonable, if not prudent. For reference, the selected extent of spillover LVU impacts on existing properties is broadly within a 2-3 minute walk of the proposed works, spanning a 'dense' town core.

The success of Grimsby Town Centre is itself critical to the overall vitality of the town and the PCA, and the extent of spillover residential LVU on local housing markets has been confined to the Grimsby Built-Up-Area (BUA). This is considered prudent, as the town centre serves a much wider northern Lincolnshire catchment area.

Consequently, the defined spatial areas of influence and all supporting evidence is considered appropriate and relevant.

(212 words)

5.2 Effectiveness of proposal in addressing problems

In this section applicants should clearly set out how the activity described in the bid will address the challenges identified.

5.2.1 Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should be forecasted using a suitable model. Theory of Change evidence should be identified and referenced.

(750 words)

Persistent longstanding challenges in Grimsby Town Centre are clear and there is a civic and social responsibility to address legacy challenges, including by ensuring an accessible, vibrant, well-performing town centre.

Town centres often have an historic/emotional resonance with the communities they serve and a presumption of 'town centres first' in land use decisions embedded within planning policy confirms the economic and social importance of town centres.

Whilst efforts nationally to accurately assess the contribution of well-performing centres towards economic and social agendas have proved challenging, owing largely to a lack of a 'control case' counterfactual position, there is a general consensus that well-performing centres act as critical drivers for local economic performance, as well as influencing wider socio-economic outcomes.

Town centre performance is of course affected by a range of factors (macro and micro) including externalities such as (a) recession/loss of consumer confidence, (b) centralised decision-making by property owners/retailers, (c) and the loss of major employers, alongside spatial and physical factors such as (d) the delivery of new residential areas, (e) demographic change and (f) transport accessibility and amenity. Market forces and competition also influence performance, including (g) notable trends in edge-of-centre retail and online shopping and (h) regulation, legislation and management can also impact the town centre vitality.

What is clear however is that efforts to maintain vitality and vibrancy can have a significant bearing on the resultant productive use of the centre in question, as assessed at the national scale through **Commercial Land Value Uplift (LVU)** and **Residential LVU**. Similarly, the delivery of new and refreshed public realm will bring improved amenity, as assessed through **Amenity Impacts**. Effective agglomeration and an increase in activity locally can also have a material bearing on wider labour market performance, particularly in areas such as Grimsby where there are clear structural challenges and major known labour market deficits. Grimsby Town Centre success therefore also has a role in labour supply, as assessed through **Labour Supply Impacts (LSI)**. Collectively, investment in a town with significant income deprivation and legacy challenges has potential to also bring significant redistributive effects, as assessed through **Distributional Impacts**.

More locally, the Freshney Leisure Scheme will also support **construction-related and longer-term employment and GVA returns**, as well as bringing renewed pride of place and restored confidence in the town.

The logic chain and theory of change is outlined in the table below.

Impact Mechanisms and Logic Chain – Theory of Change		
Inputs	Outputs/Outcomes	Monetised Impacts

<p>LUF and Co-Investment will refresh and re-purpose a prominent town centre site to deliver a comprehensive destination leisure scheme with improved amenity in Grimsby Town Centre</p>	<ul style="list-style-type: none"> ➤ Land use change on the Freshney Leisure site will change the productive use of the land 'directly', bringing increased diversity among town centre activities as a new leisure offer forms ➤ An enhanced, flexible leisure offer and improved amenity at a gateway location will directly improve the attractiveness of Grimsby Town Centre and this will change consumer behaviour, increasing footfall, spending and business turnover potential. ➤ Improved business confidence in town centre trading will give existing and new businesses confidence to agree higher rental terms and take on longer leases, with lowered investment yield prospects for town centre commercial premises. ➤ Improved turnover performance will be viewed by the landlords / landowners as an opportunity to increase rents and increased certainty will encourage occupiers with stronger covenants to lease space, particularly among national retailers, further strengthening investment yields. ➤ Improved turnover prospects will improve property marketability and ensure fewer void periods / vacancies among unlet properties, thus encouraging agglomeration. ➤ A revitalised Town centre with an improved and diversified offer will enhance the attractiveness of Grimsby as a place to live. ➤ For Grimsby, a town with significant income deprivation, the capital investment will bring significant redistributive effects. 	<p>National-Scale Impacts:</p> <ul style="list-style-type: none"> • Commercial LVU (Generated and Safeguarded) achieved through effective returns from Town Centre land and properties that are brought into more productive use. At valuation land and property assets will achieve higher capitalised values, reversing a notable declining trend locally. • Residential LVU achieved through a revitalised Town Centre, making Grimsby an increasingly attractive place to live. • Amenity Impacts achieved through the provision of refreshed public realm and new public space. • Labour Supply Impacts achieved through increased jobs capacity and effective agglomeration. • Distributional Impacts achieved through capital investment in an income deprived town
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(725 words)

5.2.2 Please describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis, the quality of the evidence and the accuracy and functionality of the models used.

(500 words)

A robust Impact Model prepared by (Redacted) estimates national and local-scale gross and net impacts, following well-understood HMT Green Book national guidance. All forecasts are well-evidenced and up-to-date.

Those impacts assessed and evidence to demonstrate robustness comprise:

National-scale Impacts (Monetised)

Strand	Description	Underlying Evidence
Direct LVU	One-off uplifts in Freshney Leisure site asset values.	Redacted
Spillover Commercial LVU	Wider LVU across existing proximate town centre commercial assets.	Property-level mapping of ratings data and appropriate current yields and occupancy rates achieved locally.

(Generated and Safeguarded)		
Spillover Residential LVU	The effects of an improved town centre offer on the local housing markets	Census 2011 dwelling estimates by type, ONS Household Projections and ONS current median house prices locally (HPSSA 11).
Labour Supply Impacts	The role of the Scheme to support labour market vitality, thereby inducing workforce re/entrants, with subsequent welfare returns.	Economic Activity rate deficits, ONS GDP per FTE job estimates locally and WebTAG LSI principles.
Distributional Impacts	The potential for capital investment in an area of high income deprivation to bring significant redistributive effects	ONS Gross Disposable Household Income (GDHI, after housing costs) evidence and a Green Book suggested marginal utility of income adjustment factor

For commercial LVU, a mix of independent valuation, and known ratings data, local yield and occupancy rates have been used. This best available evidence is considered robust, unbiased and a true reflection of values. For residential LVU, existing housing stocks are informed by Census 2011 evidence, updated to reflect housing growth using ONS household projections benchmarks for NEL.

LSI evidence has been informed by ONS labour market evidence, with a very prudent view on the potential for the Scheme to redress current shortfalls in workforce engagement locally. Distributional Impact evidence has also drawn on robust ONS data, applied to a recognised Green Book approach.

Consequently, all national-scale impacts are based on best-available evidence and are considered robust.

Local level Impacts (Non-Monetised)

Strand	Description	Underlying Evidence
Construction-related employment	A temporary boost to the construction sector arising from capital investment in Scheme delivery.	Build cost estimates and ONS turnover per construction job benchmarks.
Operational FTE employment	The longer-term effects of increased capacity for new leisure businesses.	NIA Floorspace estimates and HCA Employment Densities Guide benchmarks
Cumulative GVA returns	Construction and longer-term GVA returns from net employment impacts locally.	Net jobs projections from delivery and 10-year future operations and ONS GVA per FTE job benchmarks by relevant sector locally.

All local-level impacts are informed by design evidence and business occupancy forecasts, which are robust, credible and achievable.

Local level (North and North East Lincolnshire, NUTs-3 or Yorkshire and Humber) ONS metrics applied throughout are current and unbiased. Where needed, all metrics have also been rebased to 2022/23 prices as per LUF demands, completed via the HMT GDP deflator (March 2022). The Model appraisal period is 2022/23 to 2051/52 (30 years) and all impacts are discounted to 2022/23 terms.

(477 words)

5.3 Analysis of costs and benefits

In this section applicants should describe and explain the costs and benefits in the relevant **Costings and Planning Workbook – Tables A – Economic Benefits and Table A - Economic Costs**. They should provide an explanation of how benefits and costs are analysed and estimated, and how this approach is proportionate for the proposal being submitted.

All costs and benefits must be compliant or in line with [HMT's Green Book](#) (including

supplementary guidance), [DLUHC Appraisal Guidance](#), and if appropriate [TransportAnalysis Guidance](#).

Package bids need to demonstrate both the overall package costs and benefits, and the disaggregated costs and benefits for each component project. Supplementary tables for component projects should be completed in full.

5.3.1 Please explain how the economic costs of the bid have been calculated, including the whole life costs. (500 words)
Redacted
5.3.2 Please describe how the economic benefits have been estimated, including a discussion and evidence to support your assumptions. (750 words)
Redacted

5.4 Value for money

In this section applications should set out the Value for Money (VfM) of their bid, taking account of monetised and non-monetised impacts and risks and uncertainties.

Prior to completing this section the application should complete the relevant **Costings and Planning Workbook – Table A – VfM**.

5.4.1 Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios (BCR). (500 words) If a BCR has been estimated, please provide the BCR of the proposal below. If you only have one BCR, please enter this against the 'initial' BCR. 'Initial' BCR (single bid) 'Adjusted' BCR (single bid)
Redacted
5.4.2 Please describe the non- monetised impacts the bid will have and provide a summary of how these have been assessed, including the expected scale of these impacts. These will be factored into the overall Value for Money assessment of the bid. (500 words)
Redacted
5.4.3 Please provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid. (250 words)

Redacted

5.4.4 We would expect an Appraisal Summary Table, to be completed to enable a full range of impacts to be considered. This should be consistent with the relevant appraisal guidance for the bid.

For package bids, please provide an Appraisal Summary Table for each component project.

For Regeneration or Cultural bids, the Appraisal Summary table should be consistent with the DLUHC appraisal guidance. For Transport bids it should be consistent the [Transport Analysis Guide](#).

Any additional evidence to support your responses to this section should be referenced within your responses (5.1.1 – 5.4.3) and attached as a single annex.

The ASR is provided above.

Part 6 – Deliverability

6.1 Financial

Within this section applicants are required to provide clear and robust details of the financial aspects of the bid, including sources, secured status, and type of match funding, project costs, financial risks and mitigation measures, and how funding is structured – e.g. if you are intending to further disburse the LUF grant bid with partners.

Management and consultancy costs should be clearly shown within the project budget, and any work to be sub-contracted explained within the application form.

Prior to completing this section applicants should complete the relevant **Costings and Planning Workbook – Table B – Funding Profile and Table C – Cost Estimates**

6.1.1 Please confirm the total value of your bid.

Redacted – totalling £33,126,245.

6.1.2 Please confirm the value of the capital grant you are requesting from LUF.

£20,000,000 of LUF Grant

6.1.3 Please confirm the value of match funding secured.

Where match funding is still to be secured please set out details below. If there any funding gaps please set out your plans for addressing these.

(250 words)

Redacted

6.1.4 If you are intending to make a land contribution (via the use of existing owned land), please provide further details below and confirm who currently owns the land, details of any restrictions and the estimated monetary value.

(250 words)

Redacted

6.1.5 Please confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below.

(250 words)

The Scheme budget estimates excludes unrecoverable VAT, on the expectation that all VAT will be recoverable.

NELC consulted its external VAT advisers (PSTAX) ahead of the original FHSF submission and although the Council will be bringing Freshney Place Shopping Centre into ownership, the Scheme remains largely unchanged.

For all elements of the Scheme, NELC is likely to Opt to Tax the whole development, to avoid irrecoverable VAT. Under current understanding, should the Council proceed with Opting to Tax, the VAT associated with the development will be fully recoverable.

(88 words)

6.1.6 Please describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget. Please advise on any assumptions.

(750 words)

Redacted

6.1.7 Please provide information on margins and contingencies that have been allowed for and the rationale behind them.

(500 words)

Redacted

Risk allowances are based on current known risks that may influence Scheme costs, with maximum risk costs multiplied by an assessment of risk probability to arrive at quantified risk allowances.

The rationale behind the Design Development Risk is based on the current design stage of the Scheme and the need for further survey work to prove the use of existing structures (embodied carbon savings).

Redacted

A detailed breakdown of monetised risks are provided in the QRA / Risk Register at Appendix 11 and this includes key actions to mitigate against risks, including those that may impact on costs.

(179 words)

6.1.8 Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UK

Government funding partners. (You should cross refer to the Risk Register).

(750 words)

A summary of the main Financial Risks alongside the action plan for mitigating these risks is provided below. The Scheme Risk Register included at Appendix 11 provides further details of the identified financial risks associated with the Scheme.

As can be seen, the core financial/funding risk to the Scheme relates to a potential failure to secure funding via this application.

On cost risks, NELC confirms that it will meet any cost overruns associated with the delivery of the Freshney Leisure Scheme, although at this stage increased costs are considered unlikely, particularly given healthy contingency budgets, backed by a detailed QRA.

(422 words)

6.1.9 If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below.

NB: You must ensure any further disbursement of the grant is done so in accordance with subsidy controls and public procurement rules.

(750 words)

N/A - NELC is not intending to award a share of the LUF grant to a partner.

6.1.10 What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

(750 words)

N/A – No project partners are included as a part of the LUF application

6.2 Commercial

Within this section, applicants should set out their commercial and procurement strategy for effectively awarding and managing any contracts for goods, works or services to be funded by the grant. The strategy should include all key procurement lifecycle activities, timescales and who will lead on procurement / contractor management.

6.2.1 Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted.

(1500 words)

Commercial Structure / Delivery Model

NELC will lead on the delivery of the Freshney Leisure Scheme, continuing its role to date as scheme promoters and accountable body for the Scheme.

NELC has appointed Queensberry Real Estate as Development Managers (DM), together with architects, cost consultants and property market advisors. The DM is acting on behalf of Council and is tasked with coordinating the delivery process, including for design development and for future oversight on appointed contractor's performance.

The Council (via the DM) is currently progressing early survey and design development and the intention will be for the Council to take the Scheme through planning and secure statutory consents.

NELC with DM support will appoint a main contractor to deliver the Scheme, with selection via a compliant procurement process, to enter into a development agreement with the successful contractor (outlined below).

Risk for the successful delivery of the Scheme will ultimately be held by NELC, though appropriate risk transfer will be made to procured contractors to minimise risks.

Upon practical completion, the intention is for NELC to retain freehold control of all assets, with future management arrangements via appointment of professional asset managers.

Contractor Procurement

All compliant procurement routes have been considered and typically, for transformative schemes of this scale, an open or restricted procedure will be the preferred procurement route. This would see the contractor procured through a competitive process which meets Public Contract Regulations. This could be an open or restricted tender process or via a Public Buying Organisation Framework such as PAGABO, YORBuild, CCS, etc. Should a framework be accessed, a further competition will be run to demonstrate value for money.

The Procurement Strategy will be further developed and owned by NELC's Procurement Team in the coming months, including mechanisms for Preliminary Market Consultation to engage with the market regarding our requirements prior to commencing the procurement.

The Procurement Team itself has a vast amount of knowledge and experience of procuring a wide range of goods, services, works, and concession contracts ranging from routine to high value complex contracts, using a variety of procurement routes.

All NELC's procurement is governed by its constitutional Contract Procedures Rules (CPRs) and as a matter of course, NELC will procure goods, services and works in relation to the project applying procurement principles of Equality of Treatment, Transparency, Mutual Recognition and Proportionality, alongside the Best Value Duty and compliance with the Public Contracts Regulations 2015 and 2020 amendments. This will ensure statutory and local obligations are met.

The evaluation of tender proposals will be based on a Price/Quality ratio and make allowance for innovation by the contractors.

NELC is also committed to ensuring Social Value in procurements with social value well-embedded in NELC's procurement process. The Council's Social Value Policy aims to tackle disadvantage, grow wealth, promote the local economy, reduce waste, and carbon emissions and this policy is embedded in the Council's commissioning framework to maximise social, economic, and environmental benefits for NELC coupled with Value for Money.

As a standard Council requirement, social value will form part of the qualitative assessment when procuring a contractor and all Social Value outcomes will be included in the final contract which will be monitored through contract management to ensure social value outcomes are delivered during the life of the contract.

Payment Mechanisms and Financial Management

NELC acting as accountable body will be responsible for all grant payments and will make the necessary arrangements to comply with the LUF grant agreement once the terms and conditions are known. As a large organisation, NELC regularly utilises a cashflow management process that forecasts current and future cash requirements and the nature of its funding allows the use of balances, reserves and other financing arrangements to ensure that commitments are covered, including the short-term financing of projects where funding is in arrears.

NELC's Contract's Officer will be responsible for monitoring financial compliance within public sector rules and regulations in relation to the LUF grant and the Contracts Officer will manage grant administration, preparing claims and evidence for DLUHC's as required. Financial monitoring will be assigned to a finance role within NELC's Project Management Team.

Record keeping and auditing systems are already in place for the Scheme (and other similar grant funded capital schemes) and these can easily be adapted to ensure records are retained and LUF compliant.

Collated data will be securely kept on NELC's on-line programme management and financial systems and will be subject to quality control and sample checks as standard.

Risk Management Strategy

The approach to Scheme delivery will focus on de-risking, through (a) ensuring control of the land and (b) bringing together the resources required to mobilise and manage the required external design and construction expertise. This will ensure the Freshney Leisure Scheme is complete by the target date of August 2025/26.

The business plan manages risk through the design concept with two identified anchor occupiers, namely the cinema and the revitalised market. There is also an option to identify other leisure occupiers through the design development stage.

Importantly, with NELC acting as principal investors, this brings both a commitment to funding Scheme delivery and access to the resources needed to deliver the leisure hub at low risk.

The key risks for the successful delivery of the leisure scheme and the current mitigation strategy is detailed in the Freshney Leisure Scheme Risk Register (QRA), structured around commercial, financial, Political/economic and delivery/management risks and provided at Appendix 11, alongside reported elsewhere in the business case. The risk register will form the basis for risk management going forward and the register will itself be a 'live tool' to be regularly updated and refreshed.

Risk management will be a core responsibility of the DM throughout and Project Risks will be a standing item on each Strategic Project Steering Group and wider board meeting agendas, with regular reporting upwards where escalation is needed for robust management and mitigating action.

Risk management is a core component of our Programme Management and regular tracking and reporting of project risks, with systems in place for risk escalation through the project governance structures will enable us to detect and mitigate risks where possible at an early stage.

Future Management Strategy

Upon practical completion, NELC will retain freehold control of the new Leisure Assets, with the current intention being for NELC to manage the assets via an extension to the asset management contract that NELC will procure as a part of its forthcoming strategic acquisition of Freshney Place Shopping Centre.

There is an option for NELC to potentially dispose of the assets on completion, although at present the strategy will seek to retain the assets. The future management strategy will be reviewed periodically throughout delivery and on completion.

(1,208 words)

6.2.2 Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature? If the procurement is being led by a third party and not the lead applicant, please provide details below.

(500 words)

The Council will be contractually responsible for the delivery of the Scheme and will lead procurement and contractor management activities associated with it.

The Council's procurement team has extensive experience in procuring a wide variety of products and services, including those associated with regeneration schemes and external funding, such as Future High Street Fund, Towns Fund, ERDF, etc.

The Council's procurement team are MCIPS qualified and have been involved in this project since the original FHSF bid. The Council will also utilise technical expertise provided by EQUANS, the Council's delivery partner, who support day to day operational activities.

The Council will procure goods, works and services in relation to the programme through an open, transparent, and non-discriminatory competitive process in accordance with the Public Contracts Regulations 2015. EQUANS appointment as the Council's outsourced regeneration partner was made in accordance with public procurement regulations following a full OJEU tender process including competitive dialogue (see Governance and Management Case, Section 6.3, page 61).

Members of the project team will form a Procurement Sub-group to specifically ensure that all regulatory requirements are fully addressed in delivering the Scheme. All procurements would be carried out in line with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015. The Council uses an e-tendering portal for all its procurements which ensures transparency and compliance with the Public Contract Regulations 2015. The portal was purchased in collaboration with all local authorities in the Yorkshire and Humber region and allows suppliers to register and access tender opportunities across the region. It also facilitates the publication of contracts on Contracts Finder, the governments portal for advertising and awarding contracts.

In terms of contract management, again Queensberry and the Council have extensive experience of managing a variety of contracts, including multi-million-pound construction contracts. The building contract will be managed in accordance with best practice and the Council's framework for managing contracts.

Queensberry bring over 10 years experience of delivering major regeneration initiatives nationally, acting as Strategic Development Partner on high profile high impact initiatives in urban centres

The Council also ensures its regeneration schemes are delivered to support the prosperity and wellbeing of the community, and social value is considered as intrinsic to any scheme delivered as part of this agenda. Consideration is given to providing employment opportunities to SME's and voluntary sector organisations as well as supporting active travel and carbon reduction. Social value is embedded in the procurement process and the Council's social value policy aims to tackle disadvantage, grow wealth, promote the local economy, reduce waste, and carbon emissions.

(400 words)

6.2.3 Are you intending to outsource or sub-contract any other work on this bid to third parties? For example, where you have identified a capability or capacity gaps.

(750 words)

The Council has procured and engaged a professional delivery team to support the Scheme. This includes specialist property and legal support, which will supplement the Council's project team.

The specialist providers procured are outlined below.

Development Manager (DM)

Queensberry Real Estate (UK) Ltd has been appointed DM for the project, who have extensive experience of this work.

The DM will be responsible for managing the delivery of the Freshney Leisure Scheme on behalf of and as instructed by NELC, with reporting to the Council as per an agreed terms of reference. The DM is responsible for site assembly and securing the land ownerships as well as day-to-day delivery of the leisure hub.

This includes responsibility for the procurement of a suitably qualified delivery team to include an architect, planning consultant, cost consultant, structural engineer, services and mechanical and electrical engineers and any other necessary consultants to inform the detailed design and cost of the development and to support a planning application

The DM resourcing model has been explicitly tied into programme and partner boards, including regular tracking and reporting processes. This has/will include pre-prepared board reports and verbal updates, alongside 'plan on a page' visual representations of gateways and milestones, internal more detailed day-to-day project delivery management and planning. This will illustrate periods of intense activity to inform resource planning, including assigning of team-wide actions.

Regular periodic gateway reviews, internally and at board level, throughout the LUF Scheme lifecycle will provide assurance in terms of:

- **Viability** - Tracking benefits realisation and ongoing business case review throughout
- **Financial Management** - Reconciling costs incurred and inclusion within reporting and budgeting, with dedicated Contracts Officer and NELC Finance Officer assurance
- **Overall Health** – Reviewing and sign-off of project documents, including the Project Initiation Documents
- **Progress** - Highlight and Exception reports, checking progress throughout and escalating issues
- **Risks** – Reviewing day-to-day management, monthly review and quantified risk appraisals

Other Resources

Redacted

(567 words)

6.2.4 How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes. What measures will you put in place to mitigate supplier/contractor risks and what controls will you implement to ensure they deliver on quality.

(1000 words)

As highlighted above, members of the project team will form a Procurement Sub-group to specifically ensure that all regulatory procurement and contract requirements are fully addressed in delivering this project. Equally, the Council will procure goods, works and services in relation to the project through an open, transparent, and non-discriminatory competitive process in accordance with the Public Contracts Regulations 2015.

To support the project and facilitate a successful relationship with contractors, the Council will seek to undertake preliminary market engagement prior to commencement of the formal procurement process. This will ensure that early engagement is in place from the outset, facilitating clear understanding of the project requirements and constraints so that contractors are clear on these.

As also highlighted above, all procurements would be carried out in line with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015, utilising the YORtender procurement portal, which ensures consistency across the Yorkshire & Humber region, which contractors will be aware of and used to working with.

Once appointed, the Council will utilise its Contract Management Toolkit, which is used across the Council to support contract management. The toolkit identifies a series of processes that have been developed via best practice across North East and North Lincolnshire Councils and can be applied to across all commercial relationships to ensure the Council obtains best value out of contracts, whilst ensuring that all relevant legal elements are adhered to.

The toolkit provides a suite of guidance/best practice templates for Council officers to access including, stakeholder management, social value, risk management, relationship management, audit, performance management, termination, dispute resolution, financial management, benchmarking, and many others.

In addition, the toolkit provides a suite of template documents that can be used for contract management purposes, for example, performance scorecards, agreements to vary a contract, notice to terminate, amongst others.

This provides a comprehensive suite of guidance to be utilised for this project.

The Council's regular best practice regarding contract management includes regular contract review meetings to monitor performance against contract KPI's and to identify and resolve potential risks and issues.

In addition to the above, the Council also carries out regular supplier health checks to check continued supplier viability for duration of contracts entered into, including financial checks. This provides confidence that suppliers are able to deliver the contract requirements.

Alongside reviewing risks, financial performance, etc, the Council also seeks to ensure social value is generated from its procurement and contract management processes, as outlined below.

Regeneration schemes are delivered to support the prosperity and wellbeing of the community, and social value is considered as intrinsic to any scheme delivered as part of the Regeneration agenda. Consideration is given to providing employment opportunities to SME's and voluntary sector organisations as well as supporting active travel and carbon reduction. Social value is embedded in the procurement process and the Council's social value policy aims to tackle disadvantage, grow wealth, promote the local economy, reduce waste, and carbon emissions.

The Council operates a framework which sets out the five high level outcomes that we and our partners aspire to achieve to ensure prosperity and wellbeing for the residents of North East Lincolnshire. Delivery

linked to the framework is underpinned by a commissioning plan which outlines our approach to commissioning through evidence-based decision making.

The five outcomes are that all people in North East Lincolnshire will:

- Reach their full potential through skills and learning;
- Benefit from a green economy and a high-quality environment;
- Enjoy good health and wellbeing;
- Benefit from a strong local economy; and,
- Live in a safe environment, can have their say about things that are important to them and participate fully in their communities

Social value requires commissioners to think about how they achieve outcomes in a more integrated way. Rather than thinking about services in isolation or in the short term, this approach requires commissioners to consider long term costs, sustainability and how the inclusion of Social Value outcomes can potentially reduce pressures and realise opportunities in other areas.

Social Enterprise UK puts forward the following definition “**Outcomes and activities that will improve the quality of life and life chances of our residents and enhance the economic, social and environmental sustainability of the local area.**”

The Council are committed to ensuring Social Value in procurement of regeneration and development contracts. The specific priorities of this policy are to ensure it is considered and built into all activity that is part of the Council commissioning framework to maximise social, economic, and environmental benefits for North East Lincolnshire coupled with value for money.



Opportunities to explore novel ways to address some of these issues are tested through pre-market consultation.

In summary, the Council has extensive experience and support mechanisms in place to ensure effective procurement and contract management practices are put in place for all projects, which would be implemented for this project.

In addition, as highlighted above, the Council has already appointed a team of professional advisers to support the project who are well versed in procuring and managing large and complex regeneration schemes such as this.

Collectively the project team has the experience and knowledge to manage contracts related to this scheme and ensure both delivery of these, but also that a wide range of quality and social value measures are implemented.

(876 words)

6.3 Management

Prior to completing this section applicants should complete the relevant **Costings and Planning Workbook - Table D – Milestones Delivery**

6.3.1 Please set out how you plan to deliver the bid (this should be a summary of your Delivery Plan).

(1000 words)

Phased Delivery Plan

A phased delivery of the Scheme will be as follows:

Phase 1 – Design and Planning - Project development to date has meant that Scheme design and mobilisation planning is well-underway, with further design and costing work completed to RIBA 2 standards, with RIBA 3 planned from July 2022/23.

A pre-application planning process will direct the terms for a full planning application, with a supporting Environmental Impact Assessment (EIA) also prepared. Planning determination is expected by December 2022/23.

Phase 2 - Land Assembly and Business Relocation - NELC are in advanced stages of acquiring Freshney Place Shopping Centre, expected in July 2022, bringing c.95% of the Freshney Leisure site is NELC control. Bull Ring Lane Parade properties will be acquired directly.

A two-stage relocation of Market Traders is planned, via temporary relocation to either the vacant former House of Fraser unit within the shopping centre (next to the Scheme site) or to units to the northern side of the shopping centre.

Phase 3 – Procurement and Scheme Delivery - An open, transparent, and non-discriminatory competitive procurement process will enable the appointment of capable contractors required to deliver the Scheme. Under current expectations practical completion of the new assets is expected in January 2025/26, with tenant fit out works complete for full opening in August 2025/26.

Phase 4 – Future Management Strategy - NELC are expected to maintain control of the leisure assets on completion, with NELC appointing an asset manager for the Scheme via an extension of its future asset management contract for Freshney Place Shopping Centre.

An incentivised tenant package will be backed by NELC and consultant marketing to help attract new leisure operators and healthy operator incentives are included within the Scheme costings.

NELC will review the future management strategy based on the leasing progress which will ultimately dictate the future strategy.

Key Milestones

The table below provides delivery targets, demonstrating potential for new asset delivery by January 2025/26, with full opening by August 2025/26.

Freshney Leisure Scheme – Key Actions		Delivery Milestones
Phase 1	Consultant Procurement	January 2022-March 2022
	Design Development to RIBA Stage 2	December 2019-June 2022
	Design Development to RIBA Stage 3	July 2022-October 2022
	Surveys	January 2020-June 2022
	Planning – Pre-Application Process	July 2022-September 2022
	Planning – Full Application and Determination	September 2022-December 2022
Phase 2	Asset Matters – FP Acquisition	May 2022-July 2022
	Redacted	March 2023
	Redacted	March 2023
	Redacted	March 2023
Phase 3	Contractor Procurement and Appointment	September 2022-March 2023
	Mobilisation and Construction	March 2023-January 2025
	Practical Completion of new assets	January 2025
	Tenant Fit out Works	January 2025-June 2025
Marketing and Leisure Operators Secured	July 2022-December 2024	

Full Freshney Leisure Scheme Opening

August 2025

Monitoring and Evaluation – Baseline to Full
Evaluation

August 2021 - August 2030

Scheme Dependencies and Constraints

Redacted

Consultation to date have ensured strong support and Scheme 'ownership' among affected businesses and ongoing engagement maintain this support. By July 2022, only c.5% of the site property will need acquiring and positive negotiations are underway.

The Scheme dependencies include:

- (a) The need to acquire Freshney Place Shopping Centre – NELC is advance stage negotiations for acquisition
- (b) The political will for delivering a town centre leisure offer on the site – the Scheme has widespread support
- (c) The creation of an appropriate delivery model that is agreeable by all partners – NELC has been developing its delivery model since 2020, with DM's appointed to drive the Scheme forward
- (d) Strong purposeful leadership at all levels – NELC has an established track record of capital programme delivery, including via grant funding.

Planning Strategy and Consents

A pre-application process will include an Environmental Impact Assessment (EIA) Screening Report submitted in advance of a detailed planning application to determine whether the development constitutes EIA in development in accordance with the Town and Country Planning (Environmental Impact Assessment) Regulations 2017. It is expected that a full EIA will be required, subject to agreement with Planning Officers.

Consents required include the following agreements - party wall, rights of light, crane over-sailing, Highways Act s.278, Water Industry Act s.102/s104

Resources

Team resources already in place to carry the scheme forward include:

- Redacted

This has provided an excellent foundation for initial Scheme development and the teams combined experience and competencies will continue to ensure successful delivery.

Stakeholder Management Strategy

Successful consultation to date has garnered consensus for the Scheme and soft-market testing with potential leisure operators has also confirmed significant interest and a cinema pre-let. A copy of the consultation findings to date is provided at Appendix 6.

Ongoing consultation with relevant stakeholders is planned throughout Scheme delivery, largely to the framework set out in the Delivery Plan.

Land Assembly and Business Relocation Strategy

NELC will soon be acquiring Freshney Place Shopping Centre and acquisition of Bull Ring Lane Properties will bring the full site into control.

There are a significant relocation options available to existing occupiers of the Freshney Leisure site, including within the shopping centre or in the vicinity of Victoria Street West.

At this stage, the relocation of market traders to either the former House of Fraser unit in Freshney Place or into units to the northern side of the shopping centre is being considered.

Occupier Interest and Operator Marketing Strategy

Redacted

Going forward, the marketing strategy will see active marketing campaigns, backed by budgets included in the cost plan.

Benefits Realisation Plan

A full Benefits Realisation Plan is provided in the Delivery Plan.

(995 words)

6.3.2 Please demonstrate that some bid activity can be delivered in 2022-23.

(250 words)

NELC has been actively progressing the delivery of the Freshney Leisure Scheme since 2019, and significant efforts to date have now meant that the Scheme is progressing to advanced design and costing stage.

The Council has recently appointed Queensberry Real Estate in a DM capacity to carry the Scheme forward and under current programming, it is expected that the following activities will be undertaken this financial year (2022/23):

- Site investigations and surveys
- Acquisition and vacant possession of existing tenant businesses
- Delivery of temporary Market Hall
- Pre-Screening and Full Planning Application
- Financing arrangements, early marketing and ongoing consultations

(97 words)

6.3.3 Risk Management: Applicants are asked to set out a detailed risk assessment.

(500 words)

The management and mitigation of risk will sit at the very heart of the Scheme, with risk forming a key agenda item at all levels. All key risks throughout the Freshney Leisure Scheme's duration are logged in the Scheme Risk Register, which will be a live document throughout

The approach to Scheme delivery will focus on de-risking, through (a) ensuring control of the land and (b) bringing together the resources required to mobilise and manage the required external design and construction expertise. This will ensure the Freshney Leisure Scheme is complete by the target date of August 2025.

The business plan manages risk through the design concept with two identified anchor occupiers, namely the cinema and the revitalised market. There is also an option to identify other leisure occupiers through the design development stage.

Importantly, with NELC acting as principal investors, this brings a commitment to funding Scheme delivery and access to the resources needed to deliver the leisure hub at low risk.

The key risks for the successful delivery of the leisure scheme and the current mitigation strategy is detailed in the Scheme Risk Register, structured around commercial, financial, Political/economic and delivery/management risks and provided at Appendix 11, alongside reported elsewhere in the business case. The risk register will form the basis for risk management going forward and the register will itself be a 'live tool' to be regularly updated and refreshed.

Risk management will be a core responsibility of the DM throughout and Project Risks will be a standing item on each Strategic Project Steering Group and wider board meeting agendas, with regular reporting upwards where escalation is needed for robust management and mitigating action.

Risk management is a core component of our Programme Management and regular tracking and reporting of project risks, with systems in place for risk escalation through the project governance structures will enable us to detect and mitigate risks where possible at an early stage.

(320 words)

6.3.4 Please provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature.

Please explain if you are intending to sub-contract any of this work or if a third party is managing the project and not the organisation applying.

(750 words)

As Accountable Body, NELC will hold responsibility for funding dispersal and Scheme delivery, but it will be supported by its professional partners, as highlighted elsewhere in this document.

Internally, the project will be supported by the Council's dedicated internal project management team, which has over the years overseen the successful delivery of regeneration initiative across North East Lincolnshire, including an extensive proven track record of developing and delivering major capital schemes locally. Relevant examples include the delivery of the South Humber Industrial Investment Programme (£42m), Cleethorpes Town Centre Regeneration Programme (£9m), Grimsby Town Centre Regeneration Programme (£6m), Cartergate Office and Retail development (£7m) and Urgent Works contract at Victoria Mill Silo (£2m).

The Council has recently also delivered works at Garth Lane, including the successful delivery of the Garth Lane Public Realm and Bridge works, and the Council is also in the process of delivering investment in a new OnSide Youth Zone to be located at the south western end of the Garth Lane site.

Queensberry, as appointed Development Managers (DM) will spearhead day-to-day delivery of the Scheme, with responsibility for the overall management and delivery of the Scheme on behalf of the Project Board. The DM will coordinate Scheme activities and will also be responsible for financial monitoring and management. The DM will ensure that the Scheme is delivered to the timescales, budget, and quality.

The DM will also ensure that liaison is maintained between businesses, users, and suppliers throughout the project, and that internal and external communications are working. Workstream Managers will be responsible for ensuring production of products defined by the DM in the workstream brief and will undertake all tasks required for the successful completion of that workstream, and in agreement with the DM. Highlight and progress reports will be completed in accordance with their role.

Queensberry have the relevant skills, experience, and knowledge to undertake the role and the DM will be responsible for:

- Running the project on a day-to-day basis within the constraints laid down by the project Board, and ultimately the SRO
- Ensuring the project produces the required products within the specified tolerances of time, cost, quality, scope, benefits, and risk
- Preparing baseline management products (in conjunction with any project assurance roles):
 - Project brief, including project product description
 - Benefits management approach
 - Stage/exception plans and their product descriptions
 - Work packages
- Prepare the following reports as required:
 - Board Highlight reports
 - Status, Issue, End Stage, End Project and Exception reports
- Maintain all project logs and registers – including monitoring and management of risks and issues
- Liaise with corporate, programme management or the customer to ensure that work is neither overlooked nor duplicated by related projects
- Liaise with external suppliers or account managers
- Lead and motivate the project management team
- Establish behavioural expectations of team members
- Manage information flows between the directing and delivering levels of the project
- Manage the production of the required products, taking responsibility for overall progress and use of resources, initiating corrective action where necessary
- Establish and manage the project controls and procedures
- Authorise work packages
- Advise the project and programme boards of any deviations from the plan
- Schedule audits to check that the physical products are consistent with the brief and requirements and initiate any necessary corrective action

(607 words)

6.3.5 Please set out what governance procedures will be put in place to manage the

grant and project.

We will require Chief Financial Officer confirmation that adequate assurance systems will be in place.

For large transport bids, you should also reference your Integrated Assurance and Approval Plan, which should include details around planned health checks or gateway reviews.

(750 words)

NELC will be responsible for the delivery of the Scheme with strategic oversight from the Council's political and democratic framework and Greater Grimsby Board (GGB). Since formation in 2016, the GGB has been providing leadership on developing a public-private sector approach to regeneration locally and to date this has helped enable existing projects and attract private investment into the wider region.

The overall management of the Freshney Leisure Scheme will be led by a Strategic Project Steering Group, consisting of representatives from the Council, and expert professional support organisations (Redacted)

The Strategic Project Steering Group will meet monthly, and its terms of reference are outlined below.

- Monitor delivery of the project including, programme, design, cost / budget, future income (leasing), and funding
- Manage outcomes, benefits, and strategic risk to ensure the project achieves the strategic vision of the Council and GSCL
- Review any operational issues that may impact on the strategic outcomes of the project.
- Key decision making as delegated by Cabinet
- Decisions to accord with NECL approvals for capital expenditure
- To accord with any FHSF governance arrangements as per the business case to Government

In addition, an operational Project Working Group has also been formed, which will meet monthly, with representation from NELC, the appointed Development Managers, and the appointed Property Management and Asset Management providers.

The terms of reference for the Project Working Group are outlined below.

- Review and monitor project progress (time / quality / budget)
- Co-ordination review of project interfaces (construction logistics / shopping centre operations / highways & public realm / work package interfaces)
- Review design (fit for purpose, best value, sustainability)
- Review risks and issues
- Review statutory approvals
- Review team membership and additional procurement requirements.

The PM will take required decisions from the Operational Project Working Group to the Strategic Project Steering Group.

To support the groups outlined above, teams consisting of representatives from various disciplines internal and external to NELC will be created, which will include workstream managers to deal with and report on relevant aspects of the project.

As highlighted above, the PM will be responsible for the day-to-day running of the Scheme within the constraints of the governance structure below. The PM will ensure that liaison is maintained between businesses, users, and suppliers throughout the project, and that internal and external communications are working.

Workstream Managers will be responsible for ensuring production of products defined by the Project Manager in the workstream brief and will undertake all tasks required for the successful completion of that workstream, and in agreement with the PM. Highlight and progress reports will be completed in accordance with their role.

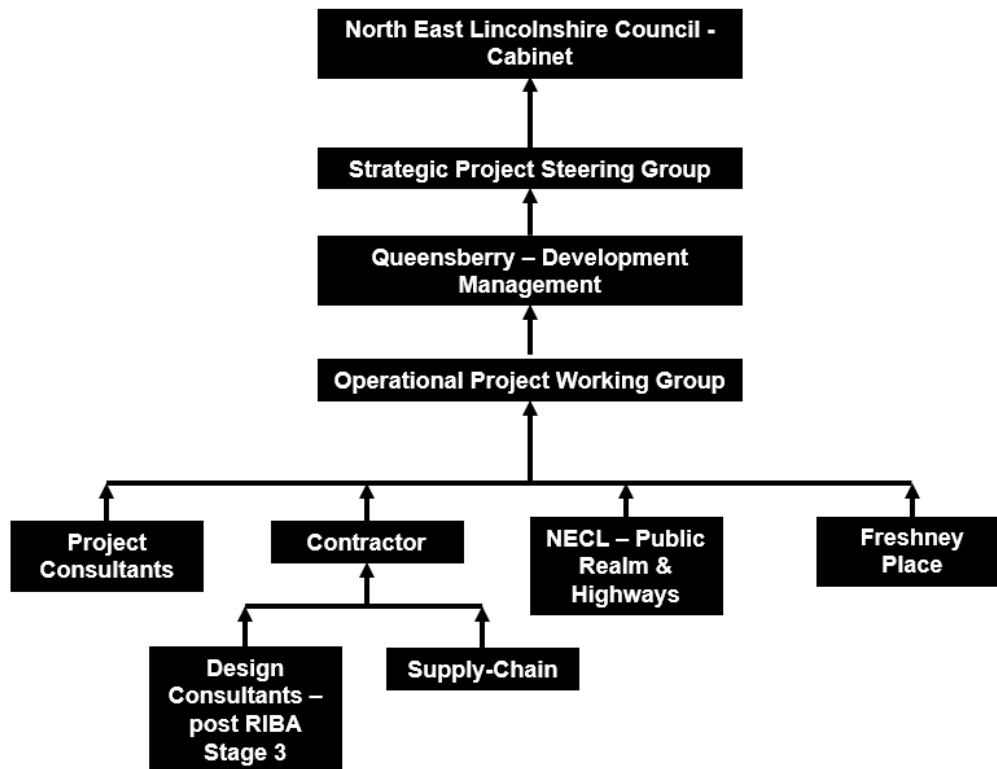
Project Assurance

Over and above the groups and teams outlined above, regular reports will be provided by the Strategic Project Steering Group to NELC's Cabinet and Scrutiny panels, ensuring appropriate democratic and political oversight is in place.

This approach will ensure the relevant checks and balances are in place to support the project and ensure good governance throughout.

The diagram below shows the proposed approach.

Freshney Leisure Scheme – Governance Chart



Finally, regular updates will be provided to the GGB, who will provide strategic input as required.

The GGB Assurance Framework 2020 sets out the governance and decision-making structure of the GGB in relation to town centre regeneration schemes. Its purpose is to:

- Enable accountable decision making
- Ensure value for money
- Provide for effective monitoring and evaluation

The Framework is underpinned by a suite of documents, including terms of reference, policies and procedures which apply to all the activities in which the GGB are involved. The GGB works closely with the Council as the Accountable Body for Grimsby's town centre regeneration projects in fulfilling its Assurance Framework.

This approach to governance is informed by the success of the GGB as a highly effective and established partnership board that already brings together different interests across the town centre including public/private sector and community representatives. The GGB Assurance Framework outlines the governance for Grimsby's Towns Fund and describes how the GGB will be responsible for overseeing the programme implementation, ensuring overall strategic direction. The GGB will give the Council delegated authority for managing projects and funds and will receive regular reports on performance to ensure compliance with appropriate governance and assurance processes.

(723 words)

6.3.6 If applicable, please explain how you will cover the operational costs for the day-

to-day management of the new asset / facility once it is complete to ensure project benefits are realised. You should also consider any ongoing maintenance and servicing costs.

Please note that these costs are not covered by the LUF grant.

(750 words)

Asset Management

Ongoing management of the new assets will likely be via an extension to the Asset Management contract that NELC intends to procure as a part of its strategic acquisition of Freshney Place Shopping Centre.

The future management of the centre and the new leisure assets will seek to derive optimum use and income through the management of leases, tenancy arrangements and commercial use of the space available. The function is currently undertaken by agents acting on behalf of the owners of Freshney Place. Future asset management would be an appointment in its own right although it is of benefit if it aligns closely with the Property Management element, outlined below, so the two are collaborative with a common goal.

The Asset Management team will focus on keeping the centre and the new leisure elements occupied, thus ensuring future income generation is planned for.

By default, Freshney Place and Freshney Leisure development would be run as an arm's length asset, to be managed by experienced professionals with the remit to make day to day decisions. It is anticipated a senior board will be established with appropriate governance within the Council and the Asset Management team would report to and advise this on a regular basis.

The overall costs associated with managing the new leisure assets (and the wider Freshney Place) will be met through future revenues generated from rents and the cost to NELC will therefore be nil.

Property Management

Property Management will be closely aligned to that of Asset Management. Freshney Place is currently managed by a company appointed by the owners, who carry out the day to day running of the centre such as security maintenance and on-site teams. This arrangement will not continue for a significant length of time after the acquisition.

The Council will seek to commence the procurement of a new property management provider immediately, to ensure any interim arrangements can be concluded and a new property management team put in place, subject to acquisition.

The annual cost of property management forms part of the service charge budget of Freshney Place. Therefore, this does not need to be budgeted for by the Council. This is expected to extend to the new leisure assets provided on the Freshney Leisure site.

Outsourcing of Asset and Property Management functions will ultimately help to delegate operational risks, whilst enabling NELC to maintain overall control.

The Council intends to commence procurement of both Asset Management and Property Management providers should Heads of Terms be agreed regarding the acquisition of Freshney Place Shopping Centre.

(462 Words)

6.4 Monitoring and Evaluation

Prior to completing this section applicants should complete the relevant **Costings and Planning Workbook - Table E – Monitoring and Evaluation**

6.4.1 Monitoring and Evaluation Plan: Please set out proportionate plans for monitoring and evaluation.

(1000 words)

Freshney Leisure Scheme Delivery- KPIs, Monitoring and Oversight

Monitoring against a detailed delivery schedule and programme will ensure that an appropriate pace of progress is maintained for delivery on time, to scope and on budget, including the procurement strategy. The DM alongside NELC's Project Management Team will set out the expected standards of quality and timescales and cover approvals, gateways, our approach to communication (including a Communications Plan) and mechanisms for escalations of risks. Each element will be agreed and signed off by the Strategic Project Steering Group, thus ensuring that all parties are in agreement on delivery.

The table below outlines the challenges, KPI's and monitoring approach throughout the delivery phase.

Freshney Leisure Scheme - Delivery Monitoring Approach			
Key Challenge	KPI Tools	Monitoring Approach	Monitoring Lead
Is delivery on track?	LUF Scheme vs Budget and Risk Register	Monthly progress meetings with each supplier will review performance against costs, the LUF programme and risk register, with mitigation strategies collectively agreed.	NELC Contracts Officer
Is delivery within budget?	LUF Scheme vs Budget	Monitoring of spend by the DM and NELC's Contracts Officer will use best practice and value management tools from an early stage to ensure the programme element remain within budget.	
Is delivery to expected quality?	Detailed Designs vs Final Approvals	From the outset, procurement processes will ensure suppliers have a clear written brief detailing expectations and ongoing monitoring and sign off of detailed designs will ensure delivery to scope.	

Throughout delivery the dedicated NELC Contracts Officer will monitor and report against programme delivery. Whilst the Contracts Officer will take lead responsibility, there will be a 'whole team' approach to collective monitoring that will drive forward LUF scheme delivery and ensure day-to-day operational performance is to expectation.

The core tasks by the DM and NELC's Project Management team will include:

- Programme workshops held at the commencement of each stage to develop, review and agree the programme
- Regular monitoring through site inspection and regular board level reporting
- Action tracking used for daily / weekly activities management as a proactive way of managing actions and an Information Required Schedule setting out what information is needed, when and by whom
- Monthly budget planning and regular risk register reviewing and updating linked to the programme

Outcome Evaluation and Benefits Realisation

The Scheme logic model provided in the Delivery Plan and at Section 4.3.4 outlines the logic chain and critical path towards a transformation of Grimsby Town Centre, with improved outcomes expected not only in terms of town centre performance, but also in improved socio-economic outcomes among communities.

The Benefits Realisation Plan (BRP) below, sets out the measures and targets for monitoring and measuring successful Freshney Leisure Scheme outcomes.

Freshney Leisure Scheme – Benefits Realisation Plan		
Measures of success / Indicators	Outcome Targets	Monitoring Timescales
➤ Delivery of new leisure assets	➤ Site survey upon completion	Baseline: August 2021 to June 2022
➤ Delivery of new Market Hall and Food Hall	➤ Site survey upon completion	
➤ Delivery of new public square	➤ Site survey upon completion	Ongoing monitoring: July 2022 to August 2030
➤ Operators attracted	➤ NELC Monitoring	
➤ FTE jobs accommodated	➤ NELC Survey	

➤ Direct Land Value Uplift	➤ Surveyor Valuations	(delivery and 5-years post completion) Full Evaluation: By August 2030 (5-years post completion)
➤ Wider Land Value Uplift	➤ Surveyor Valuations	
➤ Labour Market Vitality	➤ ONS LMI Evidence	
➤ Reduction in Crime	➤ National Crime Statistics	
➤ Improvement in perception of place	➤ Business and Resident Survey	

As accountable body, NELC Project Manager will be responsible for monitoring and evaluation of Scheme success and for reporting to DLUHC. Some indicators of success are already monitored by NELC (market occupancy rates, car parking use, shopping centre occupancy etc.).

Footfall monitoring will be undertaken annually by Springboard or an equivalent consultant and NELC already procure town centre spending and vacancy data, the costs for which will be subsumed within wider committed NELC budgets alongside a small additional commitment included within the Scheme budgets. For other proxy indicators (house prices, labour market performance, sector mix, crime rates etc.) a mix of NELC collected and publicly available ONS data will be used.

A full evaluation will also be undertaken by a suitable independent consultant that is procured through existing frameworks. A four-stage evaluation is proposed, with baselining completed in advance of construction, followed by mid-construction, on completion evaluations. A final evaluation will be completed up to five years post-completion, as required. Evaluation costs are included within our monitoring and evaluation budget.

(754 words)

Part 7 – Declarations

7.1 Senior Responsible Owner Declaration

Please complete pro forma 7 Senior Responsible Owner Declaration

7.2 Chief Finance Officer Declaration

Please complete pro forma 8 Chief Finance Officer Declaration

7.3 Data Protection

Please note that the Department for Levelling Up, Housing and Communities (DLUHC) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to DLUHC.

The Department, and its contractors, where relevant, may process the Personal Data that it collects from you as part of your application to the Levelling Up Fund, in accordance with its privacy policies. The Department will use the Personal Data provided to contact you, if needed, as part of the assessment, selection and/or monitoring process.

For the same purposes, the Department may need to share your Personal Data with other government departments (OGDs), their Arm's Length Bodies and contractors, where relevant, and departments in the Devolved Administrations, and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

You can find more information about how the Department deals with your data [here](#).

7.4 Publishing

When authorities submit a bid for funding to the UK Government, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, if the bid is successful they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of the successful bids by UK Government. UK Government reserves the right to deem the bid as non-compliant if this is not adhered to.

Please tell us the website where this bid will be published: