



# Record of Decision by Chief Officer

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<b>Decision taken by:</b>	Tony Ward, Corporate Director: Environment and Economy
<b>Date of decision:</b>	4 June 2024
<b>Decision:</b>	<p><b>i)</b> note the changes that have been made to the Vale of Clwyd Levelling Up Fund application as a part of the UK Government's Round 3 funding award process as set out in paragraphs 4.8 and 4.10 below</p> <p><b>ii)</b> accepts the Round 3 Grant Award offer for the Vale of Clwyd constituency securing £19,973,282 of external grant funding for projects in Denbighshire taking into account the changes as set out below.</p> <p><b>iii)</b> confirms that they have read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of the consideration.</p>

### What is the decision about?

To accept the Grant Award from UK Government of £19,973,282 Levelling Up Funding for the Vale of Clwyd under Round 3 of this Fund.

### What is the reason for making this decision?

In December 2021, Cabinet resolved to submit an application for the Vale of Clwyd constituency into Round 2 of the LUF process. The proposal included a 10% match funding contribution from Denbighshire County Council which equated to a sum of £1.9M. This bid was not successful under Round 2.

In November 2023, UK Government informed Denbighshire County Council (DCC) that the Vale of Clwyd Constituency was to be offered a provisional LUF award under Round 3 of the fund of just under £20M of LUF. This was based on previous appraisal of applications submitted in August 2022 under Round 2. Denbighshire County Council were invited to

# Record of Decision by Chief Officer

review and revise the application to take into account any changes. This was submitted by the deadline of 2 February 2024.

3 amendments had been made to the original application to reflect the changes in circumstance since the original point of submission in August 2022.

- 3 projects that have secured alternative funding have been removed from the application (Coed y Brain, Buttermarket, Bodelwyddan projects).
- The minimum 10% match funding allocation required by the application is met by the Growth Deal funding secured for the Former North Wales Hospital project only. The original Council commitment of £1.9M of DCC match funding has been withdrawn from the Round 3 application.
- LUF funding between the 3 Project areas of Rhyl, Inner Denbighshire and Prestatyn has been adjusted to reflect up to date cost estimates/impact of inflation. The application remains within the LUF funding envelope of just under £20M LUF.

The value of Levelling Up Funds secured for the area remains the same. Project cost estimates have increased since the application was submitted in 2022, however, by prioritising those projects within the original application that have not yet secured any other funding, it has been possible to realign the available funding to ensure that transformational change can still be delivered.

As is usual practice with construction projects, there will be an amount of 2.5% of construction costs and associated fees to be paid to the contractors 12 months after completion. This will fall beyond the end of the LUF funding period of March 2026. Current indicative value based on construction fees for DCC projects within the application is estimated at £331k. It is expected that these will be met from the LUF grant or other external funds. Should this not be possible then the Council would be required to meet these costs. Regular stage reviews will take place and activities can be stopped prior to procurement if deemed necessary for any reason.

## **Record of Decision by Chief Officer**

At end of May 2024, and days before the announcement of the general election UK Government confirmed final approval of the award and issued a Memorandum of Understanding (MoU) for the Council to sign and return in order to accept the award.

As the timescales to deliver the projects within the Levelling Up Fund application is already challenging it is essential that the Council progress the acceptance process swiftly.

The grant award process is subject to final ministerial approval of the MoU which will not take place until after the elections on 4 July 24. In accepting and returning the MoU promptly, this will ensure that the Council has clearly indicated its interest in receiving the grant and allow UK Government to complete the formal approval process in advance of the summer recess.

### **Interests declared**

No interest to declare

### **What consultations have been carried out?**

Consultation was undertaken with the Member Area Groups, Town Councils, individual Members and the MP as a part of the Round 2 application. With notification of the Round 3 award offer, further discussion has taken place with the Lead member, local Members and the MP.

Discussion has taken place informally with Cabinet in anticipation that a decision from UK Government would be received in April 2024.

Consultation on this urgent decision has been undertaken and is supported by the Leader/Lead Member and the Deputy Leader.

### **Power to make a decision**

Section 111, Local Government Act 1972. Section 2, Local Government 2000. The power to undertake activity for the promotion of the social, economic or environmental well-being of the area.

# **Record of Decision by Chief Officer**

Appendix 3 to Section 13, Council Constitution

## **Authority for delegation of the decision to the Cabinet Member / Chief Officer:**

The decision was taken by the Corporate Director: Environment and Economy in accordance with the Scheme of Delegation.