

Appendix 6a : LEVELLING UP FUND SUMMARY

a) Fund Background

The Levelling Up Fund, which applies to the whole of the UK, brings together the Department for Transport, the Ministry for Housing, Communities and Local Government and the Treasury to invest £4.8 billion in high-value local infrastructure up to 2024-25.

The Fund will **invest in local infrastructure that has a visible impact on people and their communities**. This includes a range of high value local investment priorities, including transport schemes, urban regeneration projects and cultural assets. The Fund will be delivered through local authorities and will focus on **capital investment** in local infrastructure.

The Fund is designed to help local areas select genuine local priorities for investment by putting local stakeholder support, including the local MP where they want to be involved, at the heart. It should have a visible, tangible impact on people and places, and support economic recovery.

b) Where is the Fund Targeted?

Initial guidance reflects the first round of the Fund, which will **prioritise bids** that can demonstrate investment or begin delivery on the ground in the coming **2021/22 financial year**. The amount of funding each area receives will be determined on a competitive basis to ensure value for money.

Within the competition, funding will be targeted towards places with the most significant need, as measured by an index taking into account the following the following place characteristics:

- need for economic recovery and growth;
- need for improved transport connectivity; and,
- need for regeneration.

Using this index, Blackpool has been placed into **category 1**, representing a place with the highest levels of identified need, Fylde in category 2 and Wyre into Category 3..

Bidding authorities are required to consult local **Members of Parliament** as part of their bid; though such support from local MPs is not a necessary condition for a successful bid. MPs can have a positive role in prioritising bids and helping broker local consensus. When considering the weighting given to bids, the expectation is that an MP will back one bid which they see as a priority, and any bid may have priority backing from multiple MPs and local stakeholders.

The number of bids that a local authority can make will relate to the number of MPs in their area. Accordingly, local authorities can submit one bid for every MP whose constituency lies wholly within their boundary

Where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder.

The Fund will focus investment in projects that require up to **£20m of funding**. A minimum of 10% co-funding is needed with a contribution from private sector stakeholders required.

However, there is also scope for investing in larger high value transport projects, **by exception**. Bids above £20m and below £50m will be accepted for transport projects only, such as road schemes, and can be submitted by any bidding local authority. They will be subject to a more detailed business case process and will need to score highly overall.

Bidding authorities are encouraged to collaborate with neighbouring authorities on cross boundary schemes and to submit joint proposals across their local areas where appropriate.

Consultation with relevant local stakeholders and partners is deemed important. Bids should demonstrate evidence of this overall local engagement as part of their strategic case through stakeholder letters or similar.

c) What Can be Funded?

The first round of the Fund will focus on three themes:

- I. **Smaller transport projects** :- that make a genuine difference to local areas; investments including (but not limited to)
 - Investments in new or existing cycling provision.
 - Improved priority for local bus services (e.g. bus priority lanes or signal priority at junctions).
 - Enhanced public transport facilities, such as bus stops and stations.
 - Accessibility improvements to local transport networks for disabled people.
 - Enhancements and upgrades to local road networks (e.g. by passes and junction improvements).
 - Structural maintenance works to local roads, including bridges.
 - Multi-modal proposals which combine two or more interventions to enhance transport across modes.

Proposals for high-impact small, medium and by exception larger local transport schemes should look to reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.

- II. **Town centre and high street regeneration** : - Investments including (but not limited to) :
 - Regenerating key leisure and retail sites and improving their security, in order to encourage new businesses and public services to locate there.
 - Removing derelict buildings and other eyesores to make way for new developments.
 - Site acquisition and remediation of abandoned or brownfield sites, for both commercial and new residential use.

- Improving the public realm including high streets, parks and green spaces, designing out opportunities for crime and anti-social behaviour.
- invest in secure community infrastructure and crime reduction
- Creating better connectivity between and within key retail and leisure sites.

III. **Support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets**

Projects submitted for appraisal under this investment theme may include:

- Upgrading and creating new cultural and creative spaces including sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens.
- New, upgraded or protected community hubs, spaces or assets (and associated green spaces).
- Acquiring and refurbishing key cultural and heritage sites including hotels and historic buildings
- Cultural investment maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions, heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces

Proposed investments should actively complement, rather than duplicate or compete with funding already delivering or set to deliver in their areas (such as through the Heritage High Streets Fund).

Investment proposals should focus on supporting **high priority projects** that will make a visible impact in local areas. projects should be aligned to and support **Net Zero goals**: for instance, be based on low or zero carbon best practice; adopt and support innovative clean tech and/or support the growth of green skills and sustainable supply chains.

c) Fund Targeting and Application Detail

The Levelling Up Fund is a competitive fund, with funding distributed to places across the UK on the basis of successful project selection and funding will be targeted towards places with the most significant need, as measured by an index taking into account the following place characteristics:

- need for economic recovery and growth;
- need for improved transport connectivity; and,
- need for regeneration.

The first round of funding, will **prioritise projects** which are able to demonstrate investment or begin delivery on the ground in the **2021-22 financial year**. There will be future opportunities to bid in subsequent rounds. It is expected all funding provided from the Fund to be spent by **31 March 2024**, and, exceptionally, into 2024-25 for larger schemes.

Local authorities can only have one successful bid for each of their allocated number of bids over the lifecycle of the Fund. Local authorities are therefore encouraged to consider whether bids that they wish to submit for the first round of the Fund reflect their local priorities, or if they should wait until later rounds so that they have more time to consider and develop their proposals.

Applications for funding should clearly demonstrate how proposed investments will **support relevant local strategies**. Local areas will also need to show why the proposed investment or set of investments represents the highest value local priorities.

Each bid submitted by local institutions can be a bid for an **individual project** or a **package bid** consisting of multiple projects.

Package bids must clearly explain how their component elements are aligned with each other and represent a **coherent set of interventions**. They can include a mix of projects from the Fund's three investment themes but any one bid **should not include multiple unrelated investments**.

Local authorities may submit joint bids. The maximum bid size for joint bids will be determined by adding up the individual £20 million caps of each bidding authority. **Joint bids will count towards the maximum number of bids that each local authority is able to submit**. Joint proposals can contain a combination of interventions both within counties, regions and across borders. However, they must not be a disparate package of interventions - as part of the strategic case bidders must demonstrate that joint bids are a cohesive and coherent investment proposal.

In the case of package bids containing more than one project, bids should come in two parts, covering the following:

- Part I (for the whole overall bid): a summary of the project proposals within the bid (up to a maximum of three projects per bid); and an overall financial case;
- Part II (for each individual project): the main theme this falls under; summary and strategic link to overall bid; information on deliverability (management, risk, finances, and benefits)

To apply for investment from the first round of the Levelling Up Fund, bids must be submitted by **Friday 18 June 2021**.

It is expected that investment decisions will be made by the UK Government for this funding round by **autumn 2021**.

All applications must comply with the **Public Sector Equality Duty**, as set out in the Equality Act 2010 and show how they will deliver in line with **subsidy control** (or State Aid).

Further guidance and templates for bid submissions, including package bids, will be provided to local authorities shortly after Budget.

Assessment criteria

The assessment process will focus on the following key criteria:

- Characteristics of the place – the local authority category representing the highest level of identified need.
- Deliverability - will be based on supplementary finance, management and commercial cases, with bids able to demonstrate investment or which begin delivery on the ground in 2021-22 financial year prioritised in the first round of funding.
- Strategic fit with local and Fund priorities – this should be addressed in the strategic case of submissions and should include support from stakeholders.
- Value for money – an economic case should be submitted to explain the benefits of the bid and how it represents value for money.

Monitoring and evaluation of the Levelling Up Fund will involve a combination of national-level evaluation activity with project-level monitoring and evaluation. As part of business case development, local authorities should set out a proportionate plan for project-level monitoring and evaluation

Capacity funding will be provided to local authorities. This will help support relevant local authorities to develop high quality bids. A flat £125,000 of capacity funding will be allocated to all eligible local authorities. This capacity funding will be provided with the primary intention of supporting the relevant local authorities to develop their bids for later rounds of the Fund. It is expected that local authorities will not be able to use the capacity funding in time to support bids for the first round and that it will instead support the development of proposals for later bidding rounds.