

Report to: Cabinet



Date of Meeting 31 March 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Levelling Up Fund

Report summary:

This report considers the prospectus for the Levelling Up Fund that was published as part of the suite of documents accompanying the Budget earlier in month and the potential for a bid or bids to be made to this Fund by the deadline for the first round of the 18th June. East Devon is in the lowest tier in terms of the national priorities so the report considers how to maximise the chances of success including in terms of engaging with our Members of Parliament and wider stakeholders. The report puts forward proposed next steps including in terms of establishing a budget for consultancy support.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

It is recommended that members;

- Note the publication of the Levelling Up Fund prospectus and the associated timescales for the submission of bids to the first round
- Endorse the next steps for the development of bids as identified in paragraph 5.6
- Recommend to Council that a budget of up to £100k is made available from the business rate pilot reserve to enable consultancy support to be commissioned

Reason for recommendation:

To maximise the chances of the Council submitting successful bids to the Levelling Up Fund.

Officer: Andy Wood, adwood@eastdevon.gov.uk, tel 01395 571743

Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

Climate change High Impact

Risk: High Risk; East Devon is identified as being in the lowest priority for the Levelling Up Fund. Subsequently there is a significant risk that considerable time and effort is invested in to developing and submitting bids that are ultimately unsuccessful on a national stage.

Links to background information [Levelling Up prospectus.pdf \(publishing.service.gov.uk\)](#)

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
 - Outstanding Homes and Communities
 - Outstanding Economic Growth, Productivity, and Prosperity
 - Outstanding Council and Council Services
-

1. Background and context

1.1 The prospectus for the Levelling Up Fund was published as part of the suite of documents accompanying the March Budget. This is a new £4.8bn fund set up jointly by HMT, MHCLG and DfT that will operate over the next four years. It will prioritise investment in regeneration and growth in places in need (including ex-industrial areas, deprived towns and coastal communities) and areas of low productivity and connectivity.

1.2 The Fund will focus on capital investment in local infrastructure that requires up to £20m of funding. Bids above £20m and below £50m will be accepted for transport projects only. Unitary authorities, London borough councils and district councils can apply to the Fund. County councils with transport powers can also submit one transport bid. The deadline for bids to the first round is the 18th June.

2. What will the Fund invest in?

2.1 The first round of the Fund will focus on three themes;

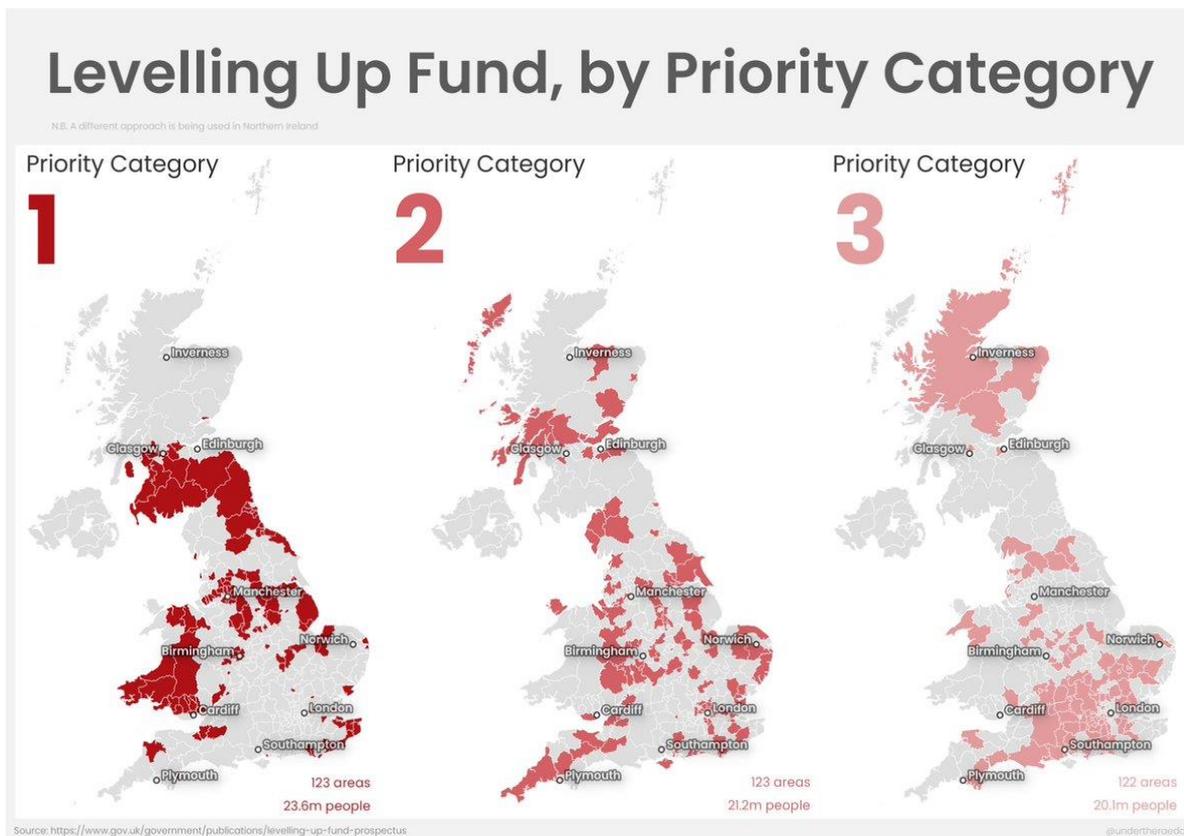
- Transport investments including (but not limited to) public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and accessibility improvements. Proposals are being requested for high-impact small, medium and by exception larger local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.
- Regeneration and town centre investment, building on the Towns Fund framework to upgrade eyesore buildings and dated infrastructure, acquire and regenerate brownfield sites, invest in secure community infrastructure and crime reduction, and bring public services and safe community spaces into town and city centres.
- Cultural investment maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the arts and serve as cultural spaces

3. How will bids be assessed?

3.1 The assessment process will focus on the following key criteria:

- Characteristics of the place – each local authority will be sorted into category 1, 2 or 3 based on our assessment metrics, with category 1 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.

It is important to highlight that East Devon has been placed in the third and lowest tier in terms of priority. The overall national position is set out in the diagram below;



4. Role of Members of Parliament and wider stakeholders

4.1 The expectation is that the bidding authority will consult the local Members of Parliament as part of their bid. MPs will be expected to back one bid that they see as a priority. 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. Every local authority can submit at least one bid. Where an MP's constituency crosses multiple local authorities, the prospectus makes it clear that one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder. MHCLG will engage with local government on whether any further guidance would be helpful on who should be designated 'lead bidders' in these circumstances.

4.2 The prospectus also makes it clear that bidding authorities should consult a range of local stakeholders across the full geography of a place in developing their proposed investments for the Fund. Potential relevant local stakeholders and partners include local businesses, public transport

providers, police and emergency services, community representatives, environmental representatives and universities and FE Colleges (FECs).

5. Assessment

5.1 Levelling up is a key objective of national government and, with the publication of the Levelling Up Fund prospectus, it is clear that this is also being backed up with the dedication of very significant levels of resource. The Fund also has the potential to play a very important role in supporting and sustaining economic recovery. Equally though it is clear that the District is at the bottom of the priority list, the timescales for developing and submitting bids are tight and that wider engagement and support will be required for any application to stand a chance of being successful on a national stage. This includes demonstrating that projects can be delivered during the current financial year.

5.2 In order to progress it will be important to quickly scope out potential priorities. This will require early engagement with our Members of Parliament. A letter has already been received from Neil Parish MP seeking a meeting to discuss the Fund. This includes the following text;

As part of the scheme, local authorities will be also able to submit bids for “Town Deals”- for individual or groups of towns that did not receive funding previously through the *Towns Fund*. This presents East Devon with a prime opportunity to access direct infrastructure investment for towns such as Axminster and Seaton. If secured, such funding would be invaluable for revitalising our local town centres and underpinning recovery efforts from the challenges of the pandemic.

5.3 Existing projects such as the Axminster relief road and the wetlands, Jurassic centre and proposed town centre and seafront improvements in Seaton are immediately identifiable as potentially strong candidates that can form part of an application.

5.4 The boundary of parliamentary constituencies do not snap neatly to our own administrative area. The potential to explore a joint bid with Mid Devon District Council is also mentioned in the letter although it should be noted that Mid Devon is in the higher tier 2 category. Wider consideration needs to be given to the potential for joint bids including with the County Council in its role as the transport authority.

5.5 In response to a question from Simon Jupp MP in the House of Commons on the 22nd February the Secretary of State for Communities and Housing, Communities and Local Government stated that he was looking forward to an application being submitted for Exmouth as this was exactly the sort of town that he would want to benefit from the regeneration funds that are being made available. He went on to say and that he hoped that the Council would work with Simon Jupp MP to put in good proposals in relation to the Levelling Up Fund that could then be considered carefully.

5.6 It is clear that potential projects can quickly be identified but considerable further work will then be required to translate these in to bids that stand a chance of competing on a national stage. Critical next steps are considered to as follows;

- Engage with Members of Parliament to agree prioritisation
- Engage wider local stakeholders including adjacent District Councils, the County Council and the categories set out in paragraph 4.2 above
- Establish project governance (e.g. a steering or reference group) and necessary resources

5.7 On the last point there is a particular squeeze on capacity currently given ongoing activity to deploy COVID-19 related grant schemes and to support reopening of our High Streets in line with the easing of national restrictions. The prospectus makes it clear that capacity funding will be made available from government but that this is only likely to go to authorities in the top priority tier which puts us at a further disadvantage. So as to support the development of high quality applications it is a specific recommendation of this report that Cabinet recommend to Council that a budget of up to £100k is made available to enable consultancy support to be commissioned.

6. Conclusion

6.1 The launch of the Levelling Up Fund is a significant opportunity to secure significant funds for the District and to support specific places and projects as well as wider economic recovery. Given that East Devon is in the lowest priority tier it is clear that significant effort will be required to scope out and develop bids that have the support of the local MPs and wider stakeholders and that ultimately stand a chance of being successful on a national stage. The report identifies the next steps that are considered to be essential in this respect.

Financial implications:

Financial implications are included within the report with the recommendation seeking Council approval for the use of £100k from the Business Rates Pilot Reserve.

Legal implications:

The report does not raise any direct legal implications requiring comment.