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House of Commons Levelling Up, Housing and Communities Select Committee has announced a new inquiry into funding for levelling up

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Funding for Levelling Up – Written Evidence

This letter is submitted on behalf of ADEPT (contact details below).

ADEPT is a professional membership association representing Place Directors from county, unitary and combined authorities across England, along with Local Enterprise Partnerships, sub-national transport boards and corporate partners drawn from key service sectors throughout England.

General Comments

ADEPT has led a programme of work to explore how councils are enabling growth and 'levelling up' through action to address disparities in multiple domains – public health, local environmental quality, exposure to climate risk and socio-economic deprivation.

This was a collaborative project, with input from the Association of Directors of Adult Social Services (ADASS), Association of Directors of Public Health (ADPH), Association of Directors of Children's Services (ADCS) and the Local Government Association (LGA).

This response draws on learning from this project, which included a series of case studies looking across local government service areas, as well as feedback from our members.

Please see below our responses to the questions in the call for evidence.

1. How can the Government ensure that all areas that need funding for levelling up receive adequate support with the bidding process and subsequently receive adequate funding?

Local authorities are uniquely positioned to deliver the levelling up agenda. Every area has its own priorities to address, including income disparity, health inequalities and environmental degradation.

To deliver levelling-up local authorities are best supported by long-term and secure funding. Where a bidding process is necessary, government should enable all local authorities to access support and allow sufficient time to prepare robust bids.

Feedback from our members shows that some local authorities do not have the experience or capacity in-house to develop bids and need to pay for support from consultants. Case

studies of successful bids would be helpful along with workshop-style webinars to discuss bid development.

A common barrier is the need for projects to have reached a certain stage of maturity before bidding for funding. More local authorities could be enabled to bid if some of these costs could be recovered through the bidding process.

The list of Priority Places assessed local authority areas against a list of metrics for economic recovery and growth, transport connectivity and regeneration. These provide only a top line view of the issues facing local places.

Feedback from our members suggests that metrics should be expanded to better capture deprivation, and specific issues such as poor transport infrastructure and environmental degradation in local areas.

Working with EY, ADEPT has developed a dashboard to illustrate how local authorities can use local data to support levelling up, capturing environmental as well as social and economic factors.

2. What are the challenges of competitive bidding and will this impact areas with limited resources and capabilities for bidding?

Feedback from our members suggests that competitive bidding processes can be challenging due to shortages in staff capacity (and sometimes expertise) to develop bids, and short deadlines. They require a significant investment of time, with uncertain outcomes. The timescales for spending funding can also be unrealistically short.

The process could be improved by providing greater certainty about timescales and an iterative process to develop bids, with support available from government. Reducing the number of competitive bidding process across government departments would also reduce the burden on local authorities.

One of our latest case studies looked at how Greater Manchester Combined Authority (GMCA) is delivering levelling up through building natural capital. This found the main constraint to the delivery of local projects was capacity in local authorities, with shortages in both operational staff as well as project managers to bid for funding. GMCA has sought to address this by helping to create a pipeline of projects, with the evidence and business cases in place.

3. How does levelling up funding integrate with other funding streams such as the Towns Fund, the High St Fund, the Sustainable Transport Fund etc?

Feedback from our members suggests that there is a complicated picture for place related funding, with numerous funding streams across different government departments, each with its own timescales and processes for allocation.

Many local authorities will have their own vision and strategy for local growth and levelling up, and then need to look across the funding landscape to identify opportunities. This can mean that project delivery is disjointed.

One of our case studies looked at how Calderdale Council is supporting town centre regeneration in Halifax, with projects identified in its Town Centre Masterplan. This included the development of a new leisure centre to replace old facilities, a project which had been in development for some time. The council has a strong record of attracting funding, with key projects including a new bus station and improvements to the town centre under the Future

High Streets Fund. The Council was then successful in bidding for £12.2 million Levelling Up funding for the new leisure centre. Unfortunately, delivery is now on hold due to rising costs.

4. How can the Government achieve its aim of streamlining funding for Levelling Up?

As stated above, local authorities are uniquely positioned to deliver the levelling up agenda, to understand and identify local priorities. They can be best supported by a single pot, with multi-year allocations to enable planning, as well as the freedom to determine spending priorities.

Where bidding processes are necessary, the government should seek to consolidate these across departments in order to reduce the burden on local authorities, and to increase transparency about how funding is allocated.

Government should also ensure sufficient time for all local authorities to access support, recognising that many local authorities may not have the experience or capacity to take part.

5. How can funding focus on both wider regions, as well as individual towns?

We believe that levelling up funding should be available to local authorities at all levels. It should support both strategic working on transport, the environment and skills, as well as town and community level projects.

One of our latest case studies looked at how the West of England Combined Authority is supporting levelling up through its work on retrofitting. By setting up a regional Retrofit Accelerator project the combined authority aims to support more households to make home energy efficiency improvements. It will also work with the home energy and installation sector to provide training and build capacity, contributing to both environmental and local skills outcomes that will benefit local authorities across the region.

Alongside this strategic example, there are many areas of local community infrastructure that need levelling up funding. Parks, community bus services, local leisure and cultural assets are essential to local wellbeing and pride of place and continue to need sources of capital investment.

6. How can Government ensure that spending across all departmental budgets can be adjusted accordingly to ensure all of government is focused on achieving levelling up and that resources are directed to the areas most in need?

As Directors of Place, we would like to see a more comprehensive approach to levelling up funding that involves the devolution of funding across government departments, in line with local government services areas. We hope that moves to streamline levelling up funding will also enable greater transparency about where funding is allocated.

There should also be alignment between levelling up funding and the wider devolution of funding through mayoral combined authorities and county deals.

The Levelling Up White Paper contained only limited references to wider environmental imperatives including the climate and nature emergencies. We believe this was a missed opportunity and would like to see the value of natural capital a central part of the levelling up mission, recognising the links to people's health and wellbeing and local growth.

Levelling up funding should also enable local authorities to respond to the climate emergency. This should include interventions to reduce carbon emissions as well to plan for the changing climate through adaptation initiatives.

7. How are Levelling Up projects being measured in terms of value for money and for their contribution to Levelling Up?

The government set out a range of metrics for measuring Levelling Up in its Technical Annex published alongside the White Paper. Many of our members are also developing their own metrics for targeting investment and measuring progress against levelling up objectives.

Some of the levelling up outcomes are more difficult to measure. In particular there are no clear measures for pride of place, which may include many factors including sense of community, access to local transport, leisure facilities and the quality of local environments.

The difficulty of measuring these areas may make it more difficult to create business cases that fully capture the wider benefits of funding.

8. Is the UKSPF a sufficient replacement of the European Structural Investment Funds?

Our recent case studies illustrate that some of the most ambitious programmes of work to improve local places have originated from the legacy of long-term EU structural funds, which end in March 2023. These projects have helped to create capacity (including funding officer posts) and to drive innovation.

As Directors of Place, we would like to see an equivalent level of funding (via the UKSPF), with multiyear allocations (longer than 3 years), to support councils to invest in their areas. Currently the proposed allocations are significantly [less per year](#) than under the EU structural funding.

One of the key objectives of the current UKSPF allocation methodology is to ensure some continuity of funding for places transitioning away from EU funding. We understand this approach but for future allocations we would like to see a review to consider the specific economic challenges that places are facing, including the impacts of current recession, cost of living crisis, the Covid-19 pandemic and Brexit.

This should ensure that funding is allocated according to levels of deprivation, with a specific remit to reduce inter-regional disparities and promote low carbon growth.

9. What is your assessment of the Levelling Up Fund, and what improvements could be made, with reference to:

- **The bidding processes**
- **Feedback on unsuccessful and successful applications**
- **Transparency**
- **The impact of inflation**

Feedback from our members suggests that competitive bidding processes are resource intensive and made more challenging by short deadlines to develop bids, and delays to access online portals and supporting information.

The extension in time for the latest round of Levelling Up Fund bids was welcome, but this came at a relatively late stage which added pressure and uncertainty for local authorities.

Feedback on applications is important. We have had mixed feedback from members on the level of feedback that they received. All unsuccessful applications should receive comprehensive feedback to inform their future bids, as well as examples of successful bids.

Feedback from our members shows that the impact of inflation is having a significant impact on project delivery with some major projects on hold due to rising costs (see Calderdale example above). Considerations include the costs of materials, the cost of staff time and labour, future operating costs and the impacts of the wider cost of living crisis on consumer behaviour.

It would be helpful for future bidding processes to include support on planning for contingencies to ensure sufficient headroom.

10. How should the success of Levelling Up funding be measured against the Government's desired outcomes for Levelling Up?

We would like to see a comprehensive approach to measuring outcomes for people and places. For places, alongside the measures set out by the government this should include outcomes to drive local action on climate change and to improve local environmental quality. These areas are not currently included in the White Paper.

We would also like to see a clear measure for pride of place. The technical annex states that the government intends to carry out further work to identify and develop this area.

Local authorities have an important role to champion the needs of the most vulnerable children and young people. There is a strong levelling up thread in the government's proposals for education, special educational needs and youth services, focused around improving educational attainment in deprived areas. We would like to see this strengthened with a particular focus on reducing deprivation and child poverty.

11. How will the proposed Investment Zones contribute towards the key objectives of Levelling Up? And is this different approach the right approach?

We await details on how the government will implement and support investment zones, as a mechanism to support local growth. The approach must be coherent with the wider policy agenda, and support commitments around reaching net zero and the reversing biodiversity loss.

Alongside the Investment Zones initiative there is an urgent and an ongoing need to provide funding to address long-term deprivation to tackle disparities between places.

12. Will the Government's approach to funding for levelling up achieve its objective of levelling up the country?

We strongly support the government's commitment to streamline and simplify the wider funding landscape for Levelling Up. We believe that this is essential to help more local places make progress in levelling up.

We would also like to see more long-term funding, to provide greater certainty to local authority and enable new ways of working.

In the current economic climate, we believe the approach to funding should incentivise local authorities to work across services and to seek multiple outcomes from investment.

Our latest set of case studies include examples of local authorities doing this:

- Leeds City Council successfully bid for funding from the Health Foundation. The Good Jobs, Better Health, Fairer Futures programme (from Sept 2021) aims to demonstrate that health inequalities can be improved through a joined-up and targeted approach to economic and health interventions in the most disadvantaged communities in Leeds. This project builds on a legacy of strong partnership work between the council and anchor institutions.
- Surrey County Council is one of nine test and learn sites for Green Social Prescribing (2021-23). The two-year pilot has brought colleagues together across service areas including NHS and the council's environment, adult social care, public health teams. Green social prescribing projects are generating outcomes across the environment sector and public health. There is an opportunity to do more to embed the learning and build a system-wide approach to green social prescribing.
- The Future Parks Accelerator Programme was key to supporting and generating Birmingham's City of Nature programme, funding a team of eight people for the main term of the project (2020-22). The was led by the public health team with input from planning and operational teams working in parks. They combined public health and environmental data to map environmental injustice across the city. Investment is being steered to improve both the local environments and health and wellbeing.