

## Report of the Chief Executive to the meeting of the Executive 8 June 2021

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**Subject:**

**B**

Bradford Council's Approach to Government Levelling Up Funding

### **Summary statement:**

The Government have recently announced a series of funding programmes for levelling up and economic growth. This includes:

- The Levelling up fund - a £4.8 billion national fund with the aim in investing in high-value local infrastructure. Of this, Bradford District has potential access to £100 million in capital funding (£20 million per Parliamentary constituency).
- The Community Renewal Fund – where priority one areas such as Bradford District are entitled to up to £3 million investment to support skills, local businesses and communities and places.
- The Towns Fund – Keighley and Shipley were selected by government as two of 101 places across England eligible for investment through the Towns Fund. We are currently awaiting a decision from the Government on our Towns Fund proposals for the two towns.

The purpose of this Executive report is to outline these upcoming and continuing opportunities and how we intend to make the most of these as an authority for the whole District.

### **EQUALITY & DIVERSITY:**

Each proposal for funding will create jobs, promote economic growth and are expected to have a positive impact on health outcomes.

Most of the processes around the funding bids (such as the Levelling Up Fund) are clear that the diversity and equality implications will be considered as part of the bid. We will be developing an assessment of the equality and diversity implications as part of the bidding process.

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**Portfolio:**

**Regeneration Planning and Transport**

**Overview & Scrutiny Area:**

**Regeneration and Environment**

## 1. SUMMARY

- 1.1. In order to address the imbalance in growth and economic prosperity in some parts of the country compared to others, the government have issued a number of funding opportunities. Most recently this includes the levelling up fund, the community renewal fund and the towns fund.
- 1.2. For both the levelling up fund and the community renewal fund, Bradford District has been identified as a top priority area to receive funding. For the towns fund, Shipley and Keighley towns have been identified as priority localities for investment for towns fund resources.
- 1.3. As a Council, we are working to ensure we secure the maximum amount of funding to support the District. This paper outlines the current criteria for each of these funds and outlines our approach to bidding for funding with clear investible propositions. As these funds are highly competitive, national processes, we have not provided detail of our proposals at this stage. However, we plan to provide more detail on this at a future point.

## 2. Background

### What is the Levelling Up Fund?

- 2.1. The Levelling Up Fund is a national fund that will invest £4.8 billion in high value local infrastructure. The first round is due to close for bids on the 18th June. The fund is UK wide but intended for places that need it the most, such as ex-industrial areas, deprived towns and coastal communities. Places have already been categorised under this need. As part of this, Bradford District has been placed in category one, meaning it is in the highest priority for investment.
- 2.2. The fund is across Government Departments. It brings together funding from the Department of Transport, the Ministry of Housing, Communities and Local Government and the Treasury. Each phase of funding will prioritise a range of projects across departments.
- 2.3. The levelling up fund is a competitive bidding process and funding will be delivered through local authorities.
- 2.4. The first round of the fund closes for bids on June 18th. It will fund capital proposals up to the value of £20 million (or £50 million for transport proposals). This round will prioritise bids that can demonstrate local investment and begin delivery on the ground in the 2021-22 financial year. All funding provided will need to be spent by 31 March 2024. The Government will be announcing round two of the funding process in the future.
- 2.5. The first round will focus on proposals in one of three areas:
  - smaller transport projects that make a genuine difference to local areas;

- town centre and high street regeneration; and
- support for maintaining and expanding the UK’s world-leading portfolio of cultural and heritage assets.

2.6. As a priority one area. Bradford District is able to bid for one project per constituency across the time period of the Levelling Up Fund. If a bid is unsuccessful in this round, it is highly unlikely it will be successful in future rounds of the fund. There will be future rounds (round two is expected in Spring 2022) and Local Authorities may consider waiting until later rounds so that they have more time to develop their proposals. In the Government’s current plans, a flat £125,000 of revenue capacity funding will be allocated to authorities most in need of support.

2.7. Bidding for levelling up fund will be a competitive process. At the end of March 2021, the Government published the application form for funding. This form will be used to make the decision on which places receive levelling up funding. There are a number of requirements for funding for round one bids. These are summarised in the table below.

### Levelling Up Fund - Next Steps and future rounds

Criteria	Process
<b>Characteristics of the place</b>	<p>Bradford placed in category 1 on the basis of:</p> <ul style="list-style-type: none"> <li>• need for economic recovery and growth;</li> <li>• need for improved transport connectivity; and,</li> <li>• need for regeneration.</li> </ul> <p>Preference will be given to bids from higher priority areas that demonstrate fit with identified needs.</p>
<b>Deliverability</b>	<p>Projects need to be in a position to begin delivery on the ground in 2021-22 This includes having plans in place for design, planning and delivery.</p> <p>Bids should include a local financial contribution representing at least 10% of total costs.</p> <p>Matched funding will be required from private sector beneficiaries.</p>
<b>Strategic Fit</b>	<p>Needs to be aligned with national, regional and local strategic priorities such as:</p> <ul style="list-style-type: none"> <li>• Bradford District Economic Recovery Plan (as approved by Executive in January 2021)</li> <li>• The West Yorkshire Combined Authority Recovery Plan</li> </ul>
<b>Value for Money</b>	<ul style="list-style-type: none"> <li>• A range of benefits will be considered including potential to boost local economic growth, environmental benefits, greater employment opportunities, reduced travel times to key services, increased footfall in town and city centres, crime reduction and social value.</li> <li>• Bids should demonstrate how they represent public value to society.</li> </ul>

2.8. The authority is working at pace to develop bids for all other constituency areas in District, either for round one of the fund or future rounds. This is a competitive process and we need to be sure that we have investible propositions that meet the Government's criteria and ensure that funding comes to the District. We are working with communities, businesses and other partners to develop, identify and evidence those projects with maximum chance for success and alignment for the scheme. As part of the process, we also intend to work with local businesses, communities, ward members and local Members of Parliament to help develop our propositions further.

2.9. To ensure maximum chance of success in this round and future rounds of the Levelling Up fund bids. Department of Place are working to recalibrate existing resources to focus on the delivery of investible propositions to be developed for the Levelling up Fund. This will be in addition to the £125,000 that Government has proposed that they will make available to priority areas to support capacity funding to support levelling up fund bids.

## Community Renewal Fund

2.10. The Government published the prospectus for the new £220m UK Community Renewal Fund. This is a fund that requires all projects to be delivered in 2021-22. This fund is aimed at people, places, and communities who wish to pilot new approaches to address. The CRF is the pre-cursor to the UK Shared Prosperity Fund to be launched in 2022 which will replace EU Structural Funds.

2.11. Bradford District has been identified by the Government as a high priority area for investment for the Community Renewal Fund. This means that there is up to £3 million in funding for the District.

2.12. The West Yorkshire Combined Authority has been identified as the lead authority for the Community Renewal Fund. This is the case for all areas that sit under a Combined Authority (e.g. Manchester Council Community Renewal Fund bids will be considered by Greater Manchester Combined Authority). WYCA have asked potential bidders to put forward projects which align with one, or deliver across several, of the following investment priorities:

- **Investment in skills** – i.e. projects that address current and emerging local skills needs and are complementary to broader place-based investment.
- **Investment for local business** – i.e. targeted support for under-represented groups and community-level interventions to increase opportunity for all, including rural enterprises.
- **Investment in communities and place** – i.e. projects for innovative pilots that address community needs and support local places.
- **Supporting people into employment** – i.e. innovative pilots delivering bespoke programmes to support individuals with multiple or complex barriers to employment.

2.13. The Government have asked that bids are prioritised against the criteria outlined in the table below.

**Community Renewal Fund Criteria**

2.14. The Combined Authority received a number of bids for Bradford District by their deadline of the 7th May. Partners including skills providers and the local voluntary and community sector were involved in this process.

Criteria	Process
<p><b>Strategic Fit</b></p>	<ul style="list-style-type: none"> <li>• Fund will prioritise bids that target the top 100 priority places for investment based on an index of economic resilience. Bradford identified as one alongside Calderdale and Wakefield in West Yorks.</li> <li>• Level of contribution to local needs articulated in relevant local plans and with evidence of local support</li> <li>• Level of contribution to an articulated CRF investment priority</li> <li>• Level contribution to net zero objectives or wider environmental considerations (except employment support interventions)</li> <li>• Extent to which the project can inform UK Shared Prosperity Fund through transferable learning or opportunity to scale up</li> <li>• Extent to which the project demonstrates innovation in service delivery</li> </ul>
<p><b>Deliverability, effectiveness, and efficiency</b></p>	<ul style="list-style-type: none"> <li>• Projects should be delivered by March 2022 with realistic milestones identified</li> <li>• Project risks have been identified and are adequately mitigated</li> <li>• Assessment of value for money taking account of:               <ul style="list-style-type: none"> <li>• the level of contribution to programme outputs for funding sought</li> <li>• amount of match funding or leverage</li> </ul> </li> <li>• Effective monitoring and evaluation strategy</li> </ul>

2.15. The Combined Authority are, at the time of writing this report, considering which bids from Bradford District to put forward. Once West Yorkshire Combined Authority have decided upon bids, they will then submit to the Government for final approval on the deadline of the 18<sup>th</sup> June. Following this, we are expecting a decision on which projects the Government have funded to be made towards the end of the summer.

## Towns Fund

- 1.1. Keighley and Shipley were selected by government as two of 101 places across England eligible for investment through the Towns Fund. The Towns Fund constitutes transformational programme of activity and investment in town and high street regeneration that will contribute to the economic growth and prosperity of the Towns for future generations.
- 1.2. The Towns Fund is primarily a capital fund and the case for investment was made through evidenced Town Investment Plans (TIPs). Development of the TIPs was overseen by the respective Town Deal Boards – one for each Shipley and Keighley. Each Towns Fund Board set out a clear vision and strategy for their town and proposing suitable projects which align with the Towns Fund criteria (set out in the table below):

<b>Theme</b>	<b>Example Outputs</b>
Local Transport	<ul style="list-style-type: none"><li>• Increase number of bus services</li><li>• New or upgraded cycle/ walking routes</li><li>• New or upgraded road infrastructure</li><li>• Pedestrianised streets</li></ul>
Digital connectivity	<ul style="list-style-type: none"><li>• Provision of full fibre infrastructure with local authority as anchor tenant</li></ul>
Urban regeneration, planning and land use	<ul style="list-style-type: none"><li>• Remediation and/or development of previously abandoned or dilapidated sites</li></ul>
Arts, culture + heritage	<ul style="list-style-type: none"><li>• New or upgraded museums, theatres, community spaces, etc</li></ul>
Skills infrastructure	<ul style="list-style-type: none"><li>• Increase in capacity and accessibility to new or improved skills facilities</li></ul>
Enterprise infrastructure	<ul style="list-style-type: none"><li>• Increase high-quality and affordable commercial floor-space</li><li>• Increase shared workspaces or innovation facilities</li></ul>

- 1.3. The Boards brought together key stakeholders who are passionate and committed to delivering a step change for their town. They have developed Town Investment Plans that promote the distinctive offer of each place and at the same time, have identified opportunities to improve the resilience and sustainability of our places and communities whilst contributing to economic growth.
- 1.4. Through the Towns Investment Plans, the Boards sought to reflect local priorities and co-design proposals with local people; ensuring communities' and businesses' voices were involved in shaping design and decision making at each phase of development. The Boards developed a Project Pro-forma as a means to invite ideas from the public and wider stakeholders to help inform the development of the Town Investment Plan. The purpose was to generate ideas from the local community about what they would like to see in within the Towns Fund boundary.

- 1.5. The projects proposals received were assessed against a wide range of factors, including strategic fit to the local objectives, HM Treasury criteria including achievability and value for money as well as strength of contribution to the Towns Fund criteria (set out in the table above).
- 1.6. The Towns Fund is an investment planning process as opposed to a traditional bidding opportunity. As such, the coherence of the Town Investment Plan (i.e. the complementarity of project proposals and their alignment with the town vision and strategic planning) will play a key role in the assessment process along with the need for sound evidential backing.
- 1.7. The over-arching project themes included in the Keighley Town Investment plan are summarised below:
  - Development Investment: to remediate and redevelop sites
  - Town centre / infrastructure
  - Skills
  - Community and Enterprise
  - Culture + Heritage
  - Health

The over-arching project themes included in the Shipley Town Investment plan are summarised below:

- Development Investment: to remediate and redevelop sites
  - Town centre / infrastructure
  - Skills
  - Supporting Enterprise
  - Community, health and recreation
- 1.8. The projects submitted not only demonstrate compliance with the Towns Fund Prospectus and criteria and net zero commitment by 2050; they also support the aims, objectives and commitments made by the Council in its District Plan, Council Plan and Sustainable Development Action Plan as well as the climate coalition with the Leeds City Region.
  - 1.9. Following submission of the Towns Fund bid in February 2021, we have been engaging with the Towns Fund national and regional team / network in advance of a final decision. This includes a 'challenge session' with Government officials during which they asked key questions around the Towns Fund proposals. At the time of writing this report, we are expecting an imminent decision.

## **2. OTHER CONSIDERATIONS**

None

## **3. FINANCIAL & RESOURCE APPRAISAL**

- 3.1. The Financial Implications for developing greater capacity to respond to future rounds of funding (including the Levelling Up Fund) are captured in a separate report to this Executive.

- 3.2. In respect of the Towns Fund, the Council received, from government, £162,019 for each Town as capacity funding to work up the Town Investment Plans and towards future business case development work. The Council has matched the funding to provide a total funding pot of £648,076 to support this activity.
- 3.3. In March 2021, the Council secured a further £70,000 from Government for each town in recognition of the supporting the Towns Fund activity is beyond the capacity of existing staff resource.
- 3.4. This funding can be used to cover staffing requirements as well as external consultancy / specialist support required.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

None

## **6. LEGAL APPRAISAL**

This report does not focus on any specific projects. The detailed scope of such projects, including potential partners and willingness to provide funding, and the basis upon which they will be involved in the project (for example, as a lessee from the Council) will need to be developed on a case by case basis. Design and construction will need to be procured in accordance with the Public Contracts Regulations.

## **7. OTHER IMPLICATIONS**

### **7.1 SUSTAINABILITY IMPLICATIONS**

As outlined in the bidding documentation set out by Government, all proposals will need to consider their environmental impact. We will be considering this when developing our bids and designing the programmes for development.

### **7.2 GREENHOUSE GAS EMISSIONS IMPACTS**

See above response to item 7.1

### **7.3 COMMUNITY SAFETY IMPLICATIONS**

No direct implications.

### **7.4 HUMAN RIGHTS ACT**

No direct implications

### **7.5 TRADE UNION**

No implications.

### **7.6 WARD IMPLICATIONS**

For this round and future rounds, we will be working with ward members and officers and

have arranged briefing sessions in each of the areas in the District.

**7.8 IMPLICATIONS FOR CORPORATE PARENTING**

None.

**7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

None

**8. NOT FOR PUBLICATION DOCUMENTS**

None

**9. OPTIONS**

Not applicable

**10. RECOMMENDATIONS**

1. That Executive note the information on the levelling up fund.
2. That the Council continues to work with Area Committees, MPs, businesses and wider partners on future rounds.

**11. APPENDICES**

None

**12. BACKGROUND DOCUMENTS**

Executive Report on the Towns Fund, Executive Meeting, January 2021