

Levelling Up Funding

Scrutiny Board
7 March 2023

Purpose

Further to the discussion and debate on Levelling Up received at Scrutiny Board on 6 December 2022, request for scrutiny of the recent Levelling Up Fund Round 2 announcements.

For Wolverhampton this included:

- Green Innovation Corridor (phase 1)
- Bilston Health and Regeneration Programme

Scrutiny Board on 6 December considered:

- Governance
- Key asks
- LEP integration
- UKSPF
- Trailblazer Devolution Deal



**LEVELLING
— UP —**

Levelling Up the United Kingdom
Executive Summary

Levelling Up – Key Asks

Levelling Up in Wolverhampton



Our City: Our Plan is our strategic framework for levelling up – we have one plan for our ‘place’, derived bottom up and collectively owned with clear interface with LU missions

Cabinet endorsed approach to [‘Levelling Up Wolverhampton’](#) on 27 July 2022

Levelling Up – Framework and Key Asks









	Good homes in well connected communities	More local people into good jobs and training	Thriving economy in all parts of the city	Healthy, inclusive communities
Challenge	Housing Quality and Supply	Low Skills and High Unemployment	Low Productivity	Health Inequalities
Catalytic Project	City Centre Programme and Key Sites	City Learning Quarter	Green Innovation Corridor	Bilston Health and Wellbeing Hub
System Change (policy, pilot and programme)	Private Rented Sector Housing	Education, Skills and Employment System Redesign	Growing the Low Carbon Economy	Place Based Pilot

Not exhaustive. Key will be links into existing activity, TDD proposals and UK SPF to maximise impact.

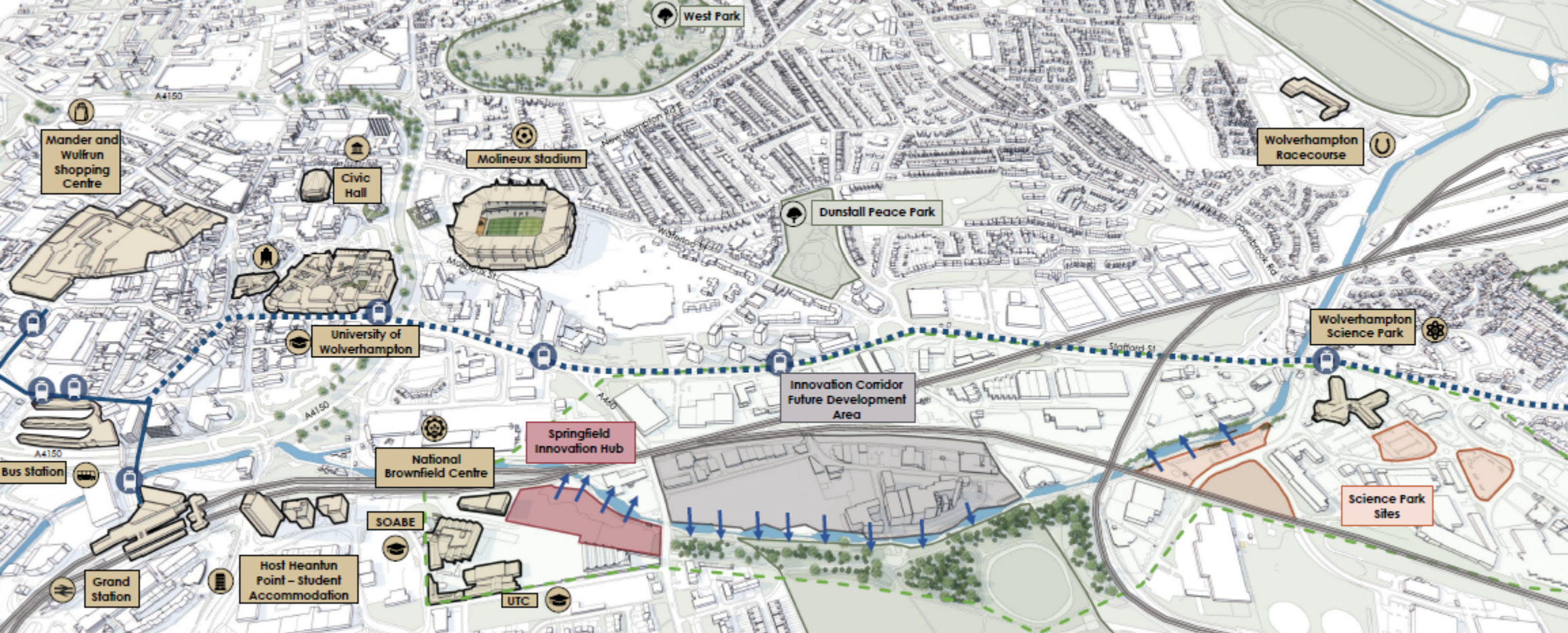
Bilston Health and Wellbeing Hub

- Regeneration of Bilston town centre
- A health, care and wellbeing village in the heart of the Bilston Community – healthy life expectancy here is lowest in the city
- Co-locates NHS, Social Care, Wellbeing and Leisure service



<p>Community Health Hub</p> <p> 1 A single community health hub building enabling fully integrated care and implementation of health and social care Strategies.</p>	<p>Development of employment & Health space</p> <p>4,248_{m2}</p>	<p>Carbon footprint</p> <p>Reduction of the Council's carbon footprint</p>	<p>Residents with access to new wellbeing hub</p> <p>18,000</p>	<p> 2:1 Benefit Cost Ratio</p>
<p> Remediation of brownfield land</p> <p>up to 4ha</p>	<p> New / improved area of public realm and events space</p> <p>9,225_{m2}</p>	<p> New trees planted</p> <p>100</p>		
<p>Gross Investment</p> <p> £33.9m</p>	<p> Construction Jobs & upskilling</p> <p>250</p>	<p> Reduced annual running costs</p> <p>£150k</p>	<p>EV charging points Development of EV charging infrastructure</p>	

Green Innovation Corridor



- New employment and incubation space



Levelling Up Fund

Levelling Up Funding - Background

- Levelling Up Fund - £4.8bn
- Set up to contribute to the levelling up agenda through investment in:
 - Infrastructure
 - Regenerating town centres and high streets
 - Upgrading local transport
 - Cultural and heritage assets
- Up to £20m
- Sponsored by MP – therefore the maximum number of bids Wolverhampton can bid for is 3

Levelling Up Funding - Timescales

- **October 2021** - Levelling Up Fund Round 1 decisions announced
 - Wolverhampton secured funding for the City Learning Quarter, sponsored by Stuart Anderson MP
- **February 2022** - Levelling Up White Paper published. Ongoing engagement with DLUHC as a priority place identified in the White Paper
- **August 2022** - Levelling Up Fund Round 2 – deadline for submissions
 - Wolverhampton submitted funding for Green Innovation Corridor Phase 1, sponsored by Jane Stevenson MP and Bilston Health and Regeneration Programme, sponsored by Pat McFadden MP
- **January 2023** - Levelling Up Fund Round 2 decisions announced

Levelling Up Funding - Process

- ↓ Long-list of projects presented to MP
- ↓ Short listed project(s) chosen by MP
- ↓ Multi-disciplinary bid team set up supported by specialist consultants
- ↓ Members of the bid team identified to write relevant sections of the bid
- ↓ Consultants provided benefit cost ratio (BCR) – e.g. GIC 3:8:1 significantly above LUF threshold of 1:0:1
- ↓ Bid team met weekly to review progress - feedback from lead consultants was these were some of the strongest LUF bids they were supporting
- ↓ Final bid signed off by Section 151 officer
- ↓ Sign off by sponsoring MP
- ↓ Bid submitted

Levelling Up Funding – Costs

Bilston HARP

Green Innovation

429 hours
of staff
time

£78,000
consultant
costs

390 hours
of staff
time

£74,000
consultant
costs

- £125,000 LUF capacity grants
- 819 hours of staff time and £152,000 of consultancy costs

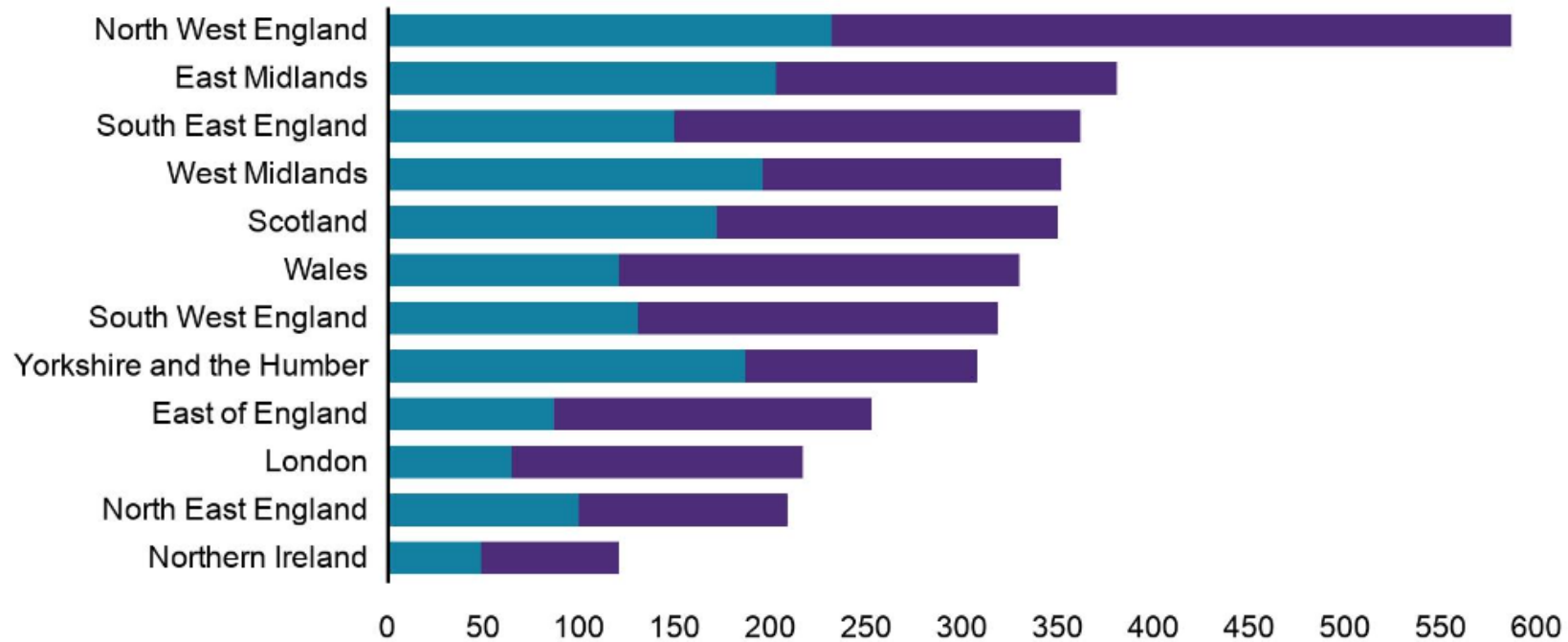
Levelling Up Funding – Outcome of Round 2

- Round 2 announced £2.1bn of funding in January 2023 across the UK

Funding awarded by region

£millions

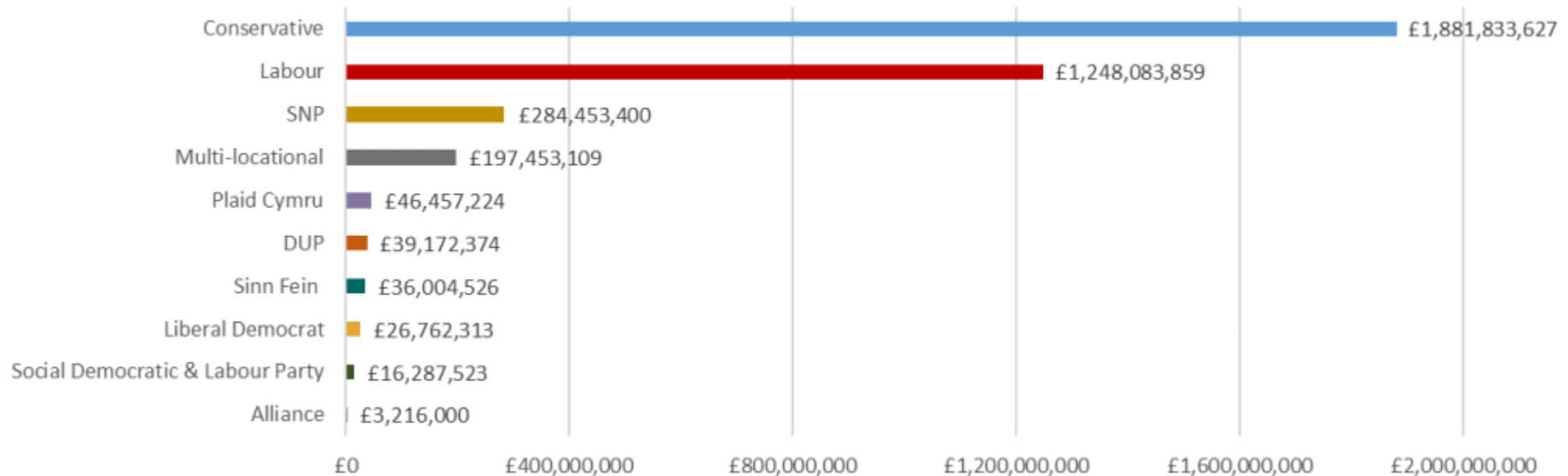
- Round 1 funding
- Round 2 funding



Source: Department for Levelling Up

Levelling Up Funding – Outcome of Round 1 and 2

Figure 3: Funding allocated by political party based on the location of the winning project, round 1 and 2



Source: WMREDI analysis based on data from [Department for Levelling Up, Housing and Communities, 2023](#)

- In round 1 the funding was relatively evenly distributed by political party affiliation
- In round 2 there was a shift towards funding being awarded to projects based in Conservative constituencies
- This is being reviewed by the inquiry into Levelling Up

Levelling Up Funding – West Midlands

- Summary of successful bids in the West Midlands:

Local Authority Name / Area	Bid Name	Bid Value
Staffordshire Moorlands	Regeneration of Leek Town Centre	£17,110,892
Herefordshire, County of	Hereford City Transport Package	£19,990,449
Shropshire	Smithfield Riverside Redevelopment Programme and Transforming Movement and Public Spaces in Shrewsbury	£18,701,269
Malvern Hills	Malvern Theatres	£19,941,040
Telford and Wrekin	Broadening Aspirations through Education and Culture	£20,000,000
Sandwell	Haden Hill Leisure Centre	£20,000,000
Walsall	Willenhall Garden City	£20,000,000
Staffordshire	Investing in Mid-Staffordshire's Major Road Network	£19,836,184
	Total allocation of funds for the West Midlands=	£155,579,834

Source: [Department for Levelling Up, Housing and Communities, 2023](#)

Levelling Up Funding – Wolverhampton

- Outcome letter sent on 18 January 2023.
- On 21 February feedback for the Green Innovation Corridor received. Feedback from Bilston Health and Regeneration Programme is still outstanding as at 12 noon, 27 February.
- Ongoing discussions with DLUHC – high quality bids, over subscribed pot.
- Nationally only two LA's in Northern Ireland secured funding in both rounds.
- Feedback from City Investment Board 17 February 2023 – Jane Stevenson MP confirmed due to securing funding in round 1, would not secure funding in round 2.
- **A rule discounting bids from areas that received funding in the first round was introduced during shortlisting.**

Levelling Up Funding – Green Innovation Corridor Feedback

- Headline – this was a **relatively strong bid**
- Bid was clearly written and took a guidance-led approach to appraisal.
- The data presented provided a clear case for change and based on reliable sources.
- Strong bid which could be further strengthened with more detail on consultation and conclusions drawn from engagement, options appraisal and further explanatory notes to support Benefit Cost Ratio calculations, though it was noted that the BEIS model was used.
- Could be strengthened with more information on governance of Joint Venture and timescales to secure match funding, though it was noted that this was early stages and noted expressions of interest.
- Satisfactory financial proposal, commercial strategy and delivery plan.
- Good alignment to national and local strategies, clearly set out contribution to the Levelling Up missions.

Levelling Up Funds Geographical Split

Geographical split of funding – UK Shared Prosperity Fund

Local Allocation

UK SPF intervention	Project	Geographical area
Communities	Funding for place-based community activities that support local priorities including financial wellbeing, digital inclusion, employment and skills.	City wide
Vibrant High Streets	Funding for public realm and activities that attract visitors and improve footfall on high streets.	City Centre, Bilston, Wednesfield
Green Infrastructure	Match funding for Smestow Valley LNR bid	Tettenhall Regis/Wightwick
Local business	Start-up support	City wide
Local business	iGNITE enterprise hub	Based in city centre but targeting businesses city wide

Background paper: [UKSPF Cabinet Resources report – 16/11/22](#)

Levelling Up External Funding Bids

Funder	Project	Successful/Unsuccessful
UK Shared Prosperity Fund	UK SPF local allocation will fund Communities & Place, Local Business Support and People & Skills (from 2024/25)	Regional Investment Plan signed off late 2022 - £3.7m
Future High Street Fund	City Centre West programme of large-scale transformation and improvements to the public realm	Successful - £15.76m
Towns Fund	Wolverhampton Investment Plan includes local employment, skills, digital connectivity, carbon reduction and regeneration projects across the three principal centres	Successful although reduction in funding ask to £25m
LUF Round 1	City Learning Quarter	Successful - £20m
LUF Round 2	Green Innovation Corridor	Unsuccessful
LUF Round 2	Bilston Health and Regeneration Programme	Unsuccessful

Levelling Up External Funding Bids – successful transport bids

Funder	Project
City Region Sustainable Transport Settlement	<p>Annual funding of £4.5 million for local transport initiatives and highway maintenance</p> <p>City Centre Public Realm – Access and Movement – £9.5 million (with a further £2.5+ million from Towns Fund)</p> <p>A449 Stafford Road Walk, Cycle and Bus Corridor - £8 million</p> <p>A454 Willenhall Road, Walk, Cycle and Bus Corridor - £18.2 million between Wolverhampton and Walsall</p> <p>A4123 Birmingham New Road Walk, Cycle and Bus Corridor - £29 million between Wolverhampton, Sandwell and Dudley</p>
	<p>Black Country Walking and Cycling Projects - £8 million across 4 Authorities</p> <p>Electric Vehicle charging Infrastructure – circa £6 million across 4 Authorities</p>
Active Travel Funding (tranche 2 and 3)	<p>A4124 Wednesfield Road – £540,000 in Tranche 2 (and £250,000 from Better Streets Fund) and a further £1.6 million in Tranche 3 to deliver a high quality cycle route</p> <p>Ring Road - £480,000 to deliver a high quality cycle route</p>