RURAL LENS REVIEW

Government place based funds

Towns Fund

Levelling Up Fund

Community Renewal Fund

Shared Prosperity Fund

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RURAL SERVICES NETWORK

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1.0 INTRODUCTION AND BACKGROUND

1.0 In this document, we start by looking at the Key Rural Messages and Questions from each of the Towns Fund; Levelling Up Fund and Community Renewal Fund based on our current analysis (as at 13th March, 2021).

1.1 We then set out in an Appendix a Briefing Note about key components of each of the schemes plus Looking Ahead to the UK Shared Prosperity Fun.

1.2 ***It should be said right from the outset that we generally welcome the fact that proposals to target these funds have avoided falling back to the Index of Multiple Deprivation and have sought to measure some broader aspects of needs. We welcome recent statements from the Communities Secretary, Robert Jenrick, reported in the Municipal Journal that "the Government wanted to help those that were 'least adept' at bidding for cash and to 'redress historic levels of investment" and comments that "officials explained they considered rural areas to be less economically resilient. These are points the RSN has been making for many years.***

1.3 It should be noted that we know more about the Towns Fund because it is already operational and the National Audit Office has produced a report which 'sets out the facts about the process by which the Ministry of Housing, Communities and Local Government chose the 101 towns in England it invited to develop Town Deals'

1.4 We intend to keep this document updated as things change or become clearer (as our understanding, analysis and further research continues).

IMPORTANT:
It should be noted that the government has also published "Build Back Better: Our Plan for Growth". This, we are given to understand, takes over from the Industrial Strategy (although much of the data and analyses from the Industrial Strategy and Local Industrial Strategies we are told remain relevant).

The RSN is yet to review the Plan for Growth through a rural lens.

Announcements were also made in the budget regarding a £150million Community Ownership Fund with a prospectus due to be published in the summer.

2.0 KEY RURAL CONCERNS

ACROSS ALL FUNDS WE ARE CONCERNED ABOUT THE UNEVENESS OF THE PLAYING FIELD IN WHAT ARE COMPETITIVE REGIMES.
The concerns relate to:

- **Capacity to make bids and the complexity and time-consuming nature of such bidding regimes.**
- **Match Funding capacity**
- **Getting fewer outputs/outcomes because it costs more in rural areas**

3.0 TOWNS FUND

PURPOSE

The Towns Fund is expected to support towns that currently do not have the right conditions to develop and sustain strong local economies, recognising that many towns have not benefitted from the growth experienced by cities over recent decades. It aims to provide a selection of struggling towns across England with funding to address issues such as ageing populations, limited regional economic opportunities and lack of investment.

KEY MESSAGES

- The approach used by MHCLG to rank town for the Towns Fund was patently unfair towards smaller (rural) towns. For reasons which are unstated, all towns **with a population of less than 15,000 were placed into a low priority category** meaning they were unlikely to be awarded any funding (although some have been e.g., St Ives and Glastonbury- see below for reasons given).

Glastonbury,South West
The town scores relatively poorly in productivity, EU Exit exposure, and the Index of Multiple Deprivation income deprivation metrics. The nearest transport links for the town are Castle Cary railway which has no direct bus links to the town.

St Ives, South West
Cornwall as a county faces low productivity, in particular for coastal areas. Cornwall's economy is also expected to have fairly significant exposure to EU Exit. There are growth opportunities for thesub-region in St Ives, for example, arising from investment related to the Tate gallery.

- NB The ONS report of July 2019 "Understanding Towns in England and Wales: An Introduction" was not written for any specific policy or resource distribution purpose and was only tangentially used (subsequently) as part of the selection process for the Towns Fund. It analysed 1082 towns with a 2011 census population between 5,000 and 25,000. Therefore, small Market Towns with a population of 5000 or less – which are essential employment and service centres in many rural areas – were not even in the list of 1082 Towns.

- The use by MHCLG of IMD Income Deprivation statistics as the most important criteria used to rank towns works against smaller (rural) towns. Jobs in rural areas are on average poorly paid with many in seasonal employment. The rural economy has many more SME's and self-employed.

- However, some residents commute out to larger centres and earn higher salaries. Income Deprivation statistics conflate the two, giving a misleading economic picture.

- The use by MHCLG of information it held about local economic shocks and private investment plans to rank towns favoured the larger towns. Their size means they tend to be home to larger employers and have large-scale investment potential. Almost certainly, it will be larger scale changes that are more known about within MHCLG. Yet, to a small town the loss of a medium sized employer is just as great an economic shock.

- 37% of the (1,082) towns that were initially ranked by ONS and MHCLG were located within predominantly rural local authority areas. However, only 18% of the towns that were subsequently invited to submit a funding proposal to the Towns Fund were in predominantly rural local authority areas.

KEY QUESTIONS

- Was the approach that MHCLG applied to analyse towns and to rank them for the Towns Fund 'rural proofed' in line with Government policy – where is there any evidence that it was??

- What was the logic for MHCLG placing all smaller towns (with a population of less than 15,000[1]) into the low priority part of the list of towns from which some would be chosen to submit a proposal to the Towns Fund?

- When using criteria to rank towns, what was the source or what were the sources of information used by MHCLG for the qualitative criteria about exposure to economic shocks and private investment plans?

Click here to access Towns Fund Briefing Note Appendix

[1] In the South West region, the population threshold was set at 10,000. In all other regions it was 15,000.

4.0 LEVELLING UP FUND

PURPOSE

The Fund will focus on capital investment in local infrastructure thereby building on and consolidating prior programmes such as the Local Growth Fund and Towns Fund. It will have a visible, tangible impact on people and places, and support economic recovery. In doing so, it will also create opportunity across the country, prioritising bids that invest in regeneration and growth in places in need and areas of low productivity and connectivity.

KEY MESSAGES

- In referring to the Levelling Up Fund in his budget statement the Chancellor said. “To ensure that funding reaches the places most in need, the government has identified priority places based on an index of local need to receive capacity funding to help them co-ordinate their applications. **So, at least for the rural areas included there is a clear recognition of needing support.**

- There are 93 English Local Authorities in category one (priority) for the Levelling Up Fund. Around two thirds of rural places on this list are the same as for the Community Renewal Fund, but the rest differ.

- It is worthy of note that the **government’s rationale** for including transport connectivity (beyond the fact that the Department of Transport is providing some of the funding!!) is ‘**where transport links are limiting local economies’**

Click here to access Levelling Up Fund Prospectus Appendix

5.0 COMMUNITY RENEWAL FUND

PURPOSE

The UK Community Renewal Fund will run a series of local pilot projects in 2021/22, designed to test approaches and to inform the introduction of the UK Shared Prosperity Fund in April 2022.

KEY MESSAGES

- In referring to the Community Renewal Fund in his budget statement the Chancellor said. "To ensure that funding reaches the places most in need, the government has identified 100 priority places based on an index of economic resilience to receive capacity funding to help them co-ordinate their applications. **So, at least for the rural areas included there is a clear recognition of their lack of economic resilience**,

- The timescale looks pretty ridiculous for pilots. Winners announced at the end of July, so not project spending until the Autumn realistically. How will these pilots therefore inform the design of the wider roll out of the Shared Prosperity Fund by April 2022? That said, the money really is small. Bids can only be up to £3 million each.

- It cannot be right that a geographically huge Unitary Council area has exactly the same £3M cap compared to the smallest District

- Of the 100 defined priority places (local authority areas) for this fund, 13 are in Scotland and 14 are in Wales, leaving 73 in England. In England 21(28,76%) are Predominantly Rural, 8 are Urban with Significant Rural and 44 are Predominantly Urban.

Click here to access Community Renewal Fund Prospectus Appendix

6.0 METHODOLOGIES PUBLISHED BY GOVERNMENT RE LEVELLING UP AND COMMUNITY RENEWAL FUNDS

COMPARISONS BETWEEN THE TWO FUNDS

- For LUF there are 17 Predominantly Rural places in category one (compared to 20 for the Community Renewal Fund (CRF)). For LUF there are 8 Urban with Significant Rural places in category one (compared to 5 for the CRF). So, some shift away from the most rural.

- Places of interest on the LUF list, but not the CRF list are: East Staffordshire, Folkstone & Hythe, Forest of Dean, Isles of Scilly, Lewes, Rother and Staff Moorlands.

- Places of interest on the CRF list, but not the LUF list are: Cornwall, Fenland, Herefordshire, North Norfolk, South Somerset and West Devon. Some notable losses, here.

- So overall, we would say the LUF category one list is less helpful than the CRF priority list, though 17 Predominantly Rural LAs out of a total of 93 is still 18%, so probably just about passable overall for an exercise of this kind.

KEY MESSAGES

Our initial overall view of the methodologies is much more positive than negative. Whilst the Methodologies have been published the 'scores' have not. This limits evaluation of appropriateness.

- Where matching indicators are used these are highlighted below, although weightings are applied differently.
- **The indicators used to create the UK Community Renewal Fund priority list areas are:**

a) The natural logarithm of the nominal smoothed Gross Value Added (GVA) per hour worked (2018) (30% weighting)
b) The natural logarithm of the Gross Disposable Household Income (GDHI) per head at 2017 prices (2017) (10% weighting)
c) The proportion of those aged 16–64 with no qualifications (NVQ) (2019) (20% weighting)
d) The ONS model-based estimate of the unemployment rate among those aged 16+ (July 2019 - June 2020) (20% weighting)
e) The natural logarithm of those aged 16-64 per squared km of land area (high water excluding area of inland water) (20% weighting)

- The RSN has always had reservations about the use of **Gross Disposable Household Income** which we believe includes income from those who live in rural areas but travel to better paid urban jobs, as well as those with private pension. It has however, only been given a low (10%) weighting as felt to be similar to the productivity measure. **In the RSN's view Incomes Earned in the Local Economy is a much better indicator of challenges faced in different places.** Of course, any income measure by itself does not reflect higher costs of living and housing

- **Population density**, which is in fact a sparsity indicator being population aged 16 to 65 per square kilometre (20%). Obviously, we have no problems with that one!

- **The indicators used to rank the England authorities for the Levelling Up Fund are:**

Target metric	Indicator	Data source (data for)	Indicator weight (Target metric weight)
Indicator 1: Need for economic recovery and growth			**50%**
Productivity	Natural log of GVA per hour worked	ONS (2018); For any LA that had changed boundaries since 2018, a data point was constructed using population sizes and the previous LA statistics	(33.3%)
Unemployment	Estimates of unemployment rate in the 16+ population	ONS model-based estimates of unemployment rates (October 2019 – September 2020) in the first instance; Where data was not available for an LA, ONS raw estimates of unemployment rates over aggregated geographies (2) (October 2019 – September 2020) were used	(33.3%)
Skills	Proportion of the 16-64 population without NVQ qualifications	ONS (January 2019 – December 2019) in the first instance; Where data was not available for an LA, ONS estimates over aggregated geographies (2) (January 2019 – December 2019) were used	(33.3%)

Target metric	Indicator	Data source (data for)	Indicator weight (Target metric weight)
Indicator 2: Need for improved transport connectivity			**25%**
Journey time to employment by car	Average journey time to the nearest employment centre of at least 5,000 jobs when traveling by car	DfT (2017); For any LA that had changed boundaries since the 2017 data publication, weighted journey time stats were created based on population and previous LA statistics	(75.2%)
Journey time to employment by public transport	Average journey time to the nearest employment centre of at least 5,000 jobs when traveling by public transport	DfT (2017); For any LA that had changed boundaries since the 2017 publication, weighted journey time stats were created based on population and previous LA statistics	(21.2%)
Journey time to employment by cycle	Average journey time to the nearest employment centre of at least 5,000 jobs when traveling by cycle	DfT (2017); For any LA that had changed boundaries since the 2017 publication, weighted journey time stats were created based on population and previous LA statistics	(3.5%)

Target metric	Indicator	Data source (data for)	Indicator weight (Target metric weight)
Indicator 3: Need for regeneration			**25%**
Commercial vacancy rate	Proportion of retail, industrial, office and leisure units that are vacant	Publicly available commercial location data from Whythawk and Sqwyre.com (July 2020); Where LAs did not share their vacancy rate data, the average vacancy rate of the LAs in the same ONS aggregated area (2) that did share their commercial vacancy rate was used as a proxy. Where no LA in the ONS aggregated area shared their vacancy rate, the average vacancy rate of the LAs over larger aggregated geographies (3) were used as a proxy. For any LAs where boundaries had changed since 2020, a data point was constructed using population sizes and the previous LA statistics	(75%)
Dwelling's vacancy rate	Proportion of dwellings chargeable for council tax that are classed as long-term empty (empty for more than 6 months) (4)	MHCLG (2020)	(25%)

The Levelling Up Fund uses three of the same indicators as the Community Renewal Fund

1. **Productivity,** (GVA per hour worked), which is given the most weight (30%). **Probably reasonably helpful for the rural or at least peripheral areas case;**

2. **Unemployment rate** which is for aged 16+ and measured through a year (20%). **Whilst never a good rural indicator, measuring through a year should largely address seasonal employment concerns. Does not capture 'under-employment' where a person has 2 or 3 part-time, low paid jobs to make ends meet.**;

3. **Skills**. which is per cent aged 16 to 64 with no NVQ level qualifications (20%). **Again, probably reasonably helpful in some rural areas, given the outflow of skilled people;**

It also uses:

- **Transport connectivity**, measured as average journey times to the nearest employment centre by car, public transport and bike. This is helpful, of course, though not as helpful as it could be because journey by car is given a much greater weighting (what a strange message that is in the context of net-zero!) than journey than public transport or by bike. Urban-rural differences are much greater in that DfT data set for public transport.

- **Regeneration need**, measured by vacancy rates for commercial and residential buildings (with commercial given the greater weight). We are not too sure what type of area this favours.

7.0 WELCOME BACK FUND

This New Fund was announced on 21st March 2021 as part of a "New Raft of Measures to Prepare Our High Streets and Seaside Resorts for Summer." In effect the proposals are to support high streets and seaside resorts after COVID-19 lockdown restrictions are lifted. We concentrate in this Briefing Note on the financial support proposals only.

The Welcome Back Fund is worth £56.1M. The funding comes from the ERDF managed by MHCLG. The Fund "will help councils boost tourism, improve green spaces and provide more outdoor seating areas, markets and food stall pop-ups – giving people more safer options to reunite with friends and relatives".

£6M of this funding will be allocated specifically to support coastal areas, with funding going to all coastal resorts across England to safely welcome holiday makers in the coming months. The distribution of this £6M will depend on which of the ERDF Programme categories of region they sit within. Rural areas will benefit from this addition

Every Unitary and District/Borough Council will receive an allocation (minimum £30,000). The allocations are 'for the main part' the same as those for the 2020 £50M Re-Opening High Streets Safely Fund. These allocations were based on population as a proxy for footfall.

The funding can also be used by councils to:

- Boost the look and feel of their high streets by investing in street planting, parks, green spaces and seating areas to make high streets as beautiful and welcoming as possible
- Run publicity campaigns and prepare to hold events like street markets and festivals to support local businesses
- Install signage and floor markings to encourage social distancing and safety
- Improve high streets and town centres by planting flowers or removing graffiti

RSN analysis of the allocations show Predominantly Rural areas getting £1.09 per head of population, and Predominantly Urban £0.95 per head. Excluding the £6M for Coastal Areas both Predominantly Rural and Urban areas get £0.89 per head of population.

Also announced was the first 70 councils "who will benefit from targeted, hands-on support from the government's High Streets Task Force, an elite team of high street experts who will advise them on how to adapt to meet changing consumer demands so they can thrive in the years ahead."

KEY MESSAGES

Our initial analysis shows just 4 Predominantly rural areas are in the list of 70 authorities. The need for this support has been "assessed using the Index of Multiple Deprivation and a measure of retail exposure." Details of the exact measures used have not yet been made available. The RSN has long argued that the IMD has a bias against rural areas in its composition.

8.0 LOOKING AHEAD TO THE SHARED PROSPERITY FUND

It is worth noting that the Community Renewal Fund Prospectus states that the UKSPF (which will at least match EU receipts, on average reaching around £1.5bn a year) will have 2 strands:

- **A place-based portion "which will target places most in need across the UK, such as ex-industrial areas, deprived towns and rural and coastal communities".**

- **A second portion will be "targeted differently to people most in need through bespoke employment and skills programmes that are tailored to local need"**

Details of this UK-wide Investment Framework will be published this year and the (financial) profile will be confirmed at the next Spending Review.

TOWNS FUND BRIEFING NOTE

Looking at the £3.6bn Towns Fund (which includes £325m for the Future High Streets Fund)

- Through the £3.6bn Towns Fund, 101 towns were announced that will work toward a Town Deal (part of the government's plan to level up the regions)
- The 101 towns were invited to develop proposals for a Towns Deal, with the establishment of Town Deal Boards, with investment priorities and project proposals then set out in a locally-owned Town Investment Plan.
- Proposals would drive long term economic and productivity growth through investment in connectivity, land use, economic assets including cultural assets, skills and enterprise infrastructure.
- Capacity funding allocation per town has been set out (funding provided to unitary councils, metropolitan borough councils, and district councils, to assist with the development of proposals)
- The 101 towns were selected from 1,082 towns in England (populations from 5,000 to 225,000, not including any towns within Greater London). Using the ONS measure of deprivation at town level, the less needy half of towns were excluded from being eligible. Officials gathered information on the 541 eligible towns, using different indicators of need, opportunity and alignment with other government priorities. These were then grouped into high, medium and low priority categories. All high priority towns were selected, and ministers selected the remaining towns using the information provided and their own judgment. (**detail of the selection process below)**
- The Towns invited to develop proposals as part of the Towns Fund programme have been divided into Cohorts, with each Cohort progressing through the Towns Fund programme at different times.

The following is an extract from a National Audit Office report which 'sets out the facts about the process by which the Ministry of Housing, Communities and Local Government chose the 101 towns in England it invited to develop Town Deals'

The Ministry of Housing, Communities & Local Government's (the Department's) officials (officials) assessed there were 541 towns across England potentially eligible for Town Deals. Officials took as the starting point all 1,082 towns across England as designated by the Office for National Statistics (ONS). These were defined as built-up areas with a minimum area of 20 hectares (200,000 m^2), with individual settlements separated by at least 200 metres, and with a population between 5,000 and 225,000. Towns do not necessarily mirror established administrative areas, such as local authorities.

Officials ranked all towns by income deprivation, an indicator the ONS had estimated for all 1,082 towns and published in July 2019. The Department regarded income deprivation as the most relevant of the few town-level indicators available at the time. Officials identified the 541 towns with an income deprivation above the median value as potentially eligible for Town Deals.

Officials scored and ranked the 541 eligible towns across England using a weighted formula across multiple criteria. In each region of England, officials scored and ranked towns based on a formula that combined scores against seven criteria chosen to reflect local need and growth potential: income deprivation, skills deprivation, productivity, EU Exit exposure, exposure to economic shocks, investment opportunity and alignment to wider government intervention (see table below – Fig 1). The first four criteria were drawn from official statistics and the remaining three were based on officials' assessments. Officials differentially weighted the separate criteria to give greater significance to those they determined to be based on more robust data at town level geographically.

Fig 1 - Criteria used to assess towns' need and growth potential. Officials combined seven criteria to give an overall score for each town

Metric	Measure	Geography	Sources	Year	Weight
Income deprivation	Income component of the Indices of Multiple Deprivation	Town Level[1]	MHCLG (the Department)/ Office for National Statistics (ONS)	2015	3
Skills deprivation	Proportion of the working-age population with no qualifications at National Vocational Qualification (NVQ) level	Local authority	ONS	2018	1
Productivity	Gross value added per hour worked	NUTS3[2]	ONS	2017	1
EU Exit exposure	Gross value added of sectors identified as 'at risk' by the Bank of England with respect to a "no deal, no transition" EU Exit[2]	NUTS3[2]	The Department/ONS/Bank of England	2017	1

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Exposure to economic shocks	Significant economic shocks in the town's recent history (qualitative)	Town level	The Department	2019	1
Investment opportunity	Opportunity for investment Signaled by significant current or upcoming private investment (qualitative)	Town level	The Department	2019	1
Alignment to wider government intervention	The presence of other government funding or programming with which the Towns Fund could have additionality and synergy (qualitative)	Town level	The Department	2019	2

In addition to these seven criteria, the selection process included a regional element, with the aim of focusing funding on the regions with higher need. A town's prospects are affected by the wider region it sits within.

Officials therefore applied a needs-based regional allocation formula which incorporated Local Enterprise Partnership-level (LEP-level) data on: ***productivity,income, skills, deprivation and rural/urban classification (with rural areas assumed to have greater need).***

Officials calculated a recommended number of deals, from the planned total of 100 towns, for each of the eight English regions, see table below (Fig 2). The Greater London region is excluded because it does not contain towns as defined by the ONS. Recommended number of towns per region to be invited to bid for Town Deals. Officials recommended how the 100 towns should be distributed across regions.

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Fig 2

Region	Recommended number of towns
North West	21
Yorkshire and the Humber	19
West Midlands	18
East Midlands	14
North East	11
East of England	6
South West	6
South East	5

Source: Ministry of Housing, Communities & Local Government

Officials divided the 541 eligible towns into high-, medium- andlow-priority groups.

- High-priority towns: The Department placed 40 towns in the high-priority group. Within each region, officials categorised 40% of the number of recommended towns as high priority, so that high-priority towns were spreadacross the regions in proportion to the total number of recommended towns (Figure 2). These towns were those with the highest scores within each region, scored highly across most criteria, and for which officials found that using different formula weightings resulted in only small changes to their scores and rankings. They were not the 40 towns with the highest scores across the whole of England because the aim was to identify high-priority towns in each region of England.
- Low-priority towns: Officials categorised 181 towns as low priority either because they were among the 15% lowest-scoring towns in their region or **because they were small (fewer than 15,000 inhabitants, or fewer than10,000 in the South West region, unless they formed part of a cluster of small towns that made up one economic unit).**
- Medium-priority towns: Officials designated the remaining 380 towns as medium priority.

- Officials made recommendations to ministers regarding their selection oftowns from the three priority groups:
- High-priority towns: Officials recommended to ministers that all 40 high-priority towns be selected to bid for funding, and that noadditional explanation for their selection was required.
- Medium-priority towns: Officials recommended that ministers select up to 60 medium-priority towns, depending on how many low-priority towns they chose, to bring the total number of selected towns to 100 (ministers ultimatelyselected 101 towns). They were asked to provide a brief rationale for their selection in this category.
- Low-priority towns: Rather than ruling them out entirely, officials left it open for ministers to select towns for Town Deals from the group of181 low-priority towns. Officials recommended that ministers choose relatively few low-priority towns and record a strong rationale for any selected.

Officials provided ministers with additional suggestions on other factors they might consider in their selection. This included:

- Disqualifying the largest towns, or towns with a City Deal. Officials suggested that ministers should consider ruling out places which were in principle eligible to benefit from City Deals (another policy for supporting local growth). Officials provided ministers with a list of the 15 largest towns(as defined by the ONS) to illustrate which ones might be ruled out if the largest towns were disqualified.
- Clustering towns. Officials suggested that clusters of small, nearby towns that function as a single place could be offered the opportunity to bid for a single, shared Town Deal.
- Aiming to spread Town Deals across and within LEPs. Officials suggested that ministers might aim for a spread of towns across LEP areas, in addition to the spread of towns across English regions. It also suggested a mixture of larger and smaller towns within each LEP.

Consulting with mayors on town selection. Officials suggested that in metropolitan areas with directly elected mayors, ministers might want to consult with these mayors before settling on their final selection of towns.

- 14 High Streets are in Predominantly Rural authorities, 12 in Urban with Significantly Rural and 46 in Predominantly Urban. As proportions of total schemes, that’s 19%, 17% and 64% respectively.

- This is in comparison to the proportion of all authorities in these classifications of 28%, 17% and 56% respectively. So, the distribution of schemes is thus far, skewed towards Predominantly Urban local authority areas, at the expense solely of Predominantly Rural. A second round with new assessment criteria was mentioned within the initial prospectus.

- Looking at the total value of the projects per head of population within the classifications, Predominantly Rural has funding of £37.99 per head, Urban with Significantly Rural has £67.00 per head, and Predominantly Urban has £53.24. So, in addition to the funding distribution already being skewed towards Predominantly Urban (for whatever reason that may be), the funding that does get awarded in Predominantly Rural is smaller per head of population.

- The funding guidance states: "We expect bidding local authorities to put forward a single, transformative submission covering one high street or town centre in their area" However, it also states that: "authorities with populations significantly higher than the national average are able to submit more than one expression of interest to the Future High Streets Fund"

- A breakdown of how many bids each authority is able to submit to the Future High Streets Fund was provided.

- Taking West Devon as an example, it has below average population for a local authority and so can only submit a single bid. However, it has two towns as defined by ONS, Tavistock and Okehampton, approximately 15 miles apart. Any transformative effect of a successful bid in one of the towns, is going to have minimal positive impact on the residents or businesses of the other town. Looking therefore at the number of bids possible for each classification, and applying it to the geographical area covered by the classification nationally; if every bid were successful, a project in a Predominantly Rural local authority would have to have transformative effects covering 80,460 hectares, where as a scheme in a Predominantly Urban authority would cover 7,380 hectares.

- Looking at it another way, if a project had a significant transformative effect spanning a 5-mile radius of the funded high street, Predominantly Urban population would benefit significantly from multiple schemes (taking the situation based on classification averages and all bids being successful), in that a population greater than that of all Predominantly Urban authorities nationally could benefit from projects successful in that classification of authority)

- The competition took place over two phases. Phase 1 was a light-touch process calling for Expressions of Interest from Metropolitan and Unitary Councils, London Boroughs and Shire Districts.

- Phase 2 Business Cases were assessed by HM Treasury Green Book methodologies (with the urban bias therein). Phase 2 revenue funding to support development of project plans was available. Expressions of Interest were required to indicate the level of revenue funding needed, but the full amount was not guaranteed.

- The question exists of whether Shire Districts (and rural authorities in general, given their historic underfunding) would have the same capacity as their single tier, urban neighbours to develop robust project plans, given full capacity funding would not be guaranteed, and is a significant consideration to the fairness of the competition.

- The prospectus also states that "We expect projects to be co-funded by public and private sector additions". Are rural areas in an equal position to be able to offer public and private sector finance in their bids, or is it a financial hurdle that precludes them from developing bids of sufficient value to ensure rural residents get their fair share of Government funding locally, and to create the transformative change that Government expects and rural residents deserve?

THE LEVELLING UP FUND PROSPECTUS

Areas (Districts or Unitary Council areas) are categorised as Priority 1 (highest), 2 or 3 (lowest)

ANALYSIS	Priority 1	Priority 2	Priority 3
Predominantly Rural	20% (19)	31% (34)	30% (34)
Urban with Significant Rural	13% (12)	16% (17)	18% (20)
Predominantly Urban	67% (62)	53% (57)	52% (59)
Total	**93**	**108**	**113**

- **This is limited to “high-value” local infrastructure.**
- Explicitly states that the funding structure for the Levelling Up Fund does not set a precedent for the UK Shared Prosperity Fund.
- Fund is open to all areas and the amount of funding each area receives will be determined on a competitive basis.
- For this first round priority will be given to bids that can demonstrate investment or begin delivery on the ground in 2021/22.There will be subsequent rounds. Government expects all funding from this fund to be spent by 31 March 2024 (exceptionally 2024/25 for larger schemes)
- Local authorities most in need of levelling up identified in an index published alongside the prospectus. Index is “based on a combination of metrics including need for economic recovery and growth, need for improved connectivity and need for regeneration” **The methodology used to calculate the index has now been published and is being reviewed.**
- MPs expected to back one bid they see as a priority. Councils can submit one bid for every MP whose constituency lies wholly within their boundary.
- Focus on bids that require up to £20M of funding (between £20M-50M for transport projects)
- Bidding authorities should consider how to reach stakeholders from harder to reach rural communities in formulating their proposals.

- 3 themes for first round:

  - Smaller transport projects – in particular public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance and accessibility improvements.
  - Regeneration and town centre investment**. [The Prospectus notes that whilst some local areas have benefited from programmes such as the Towns Fund "some places such as smaller towns have not yet been able to access this investment]" Under this Levelling Up fund a bid can include "Towns Deals for individual or groups of smaller towns that did not receive investment from the Towns Fund"**
  - Cultural investment

- Projects should be aligned to and support Net Zero Goals.
- Bids to be submitted by 18TH June. Government decisions by 'autumn 2021' (for this first round).
- Bids 'encouraged to include a local financial contribution of at least 10% of total costs. If private sector stakeholders stand to benefit from a specific project a contribution from them is expected.
- Over and above the metrics that Ministers will have the opportunity to exercise discretion to meet the following additional considerations:

  - Ensuring a reasonable thematic split of approved projects (e.g., across regeneration and town centre, transport and culture and heritage);
  - Ensuring a fair spread of approved projects across Great Britain;
  - Ensuring a fair balance of approved projects across places in need;
  - Prioritisation of either 'strategic fit' or 'deliverability' or 'value for money'over the other criteria (noting this must be applied consistently to all projects);
  - Taking into account other investment in a local area. In future rounds, this could include funding provided to local areas through the first round of this Fund.

- Further detail on the assessment and scoring process will be published following the Budget.

UK COMMUNITY RENEWAL FUND PROSPECTUS 2021-22

There is a List of named **101 lead authorities** invited to submit proposals.

ANALYSIS		
Predominantly Rural	26%	percentage of English priority group of 72 authorities
Urban with Significant Rural	28%	
Predominantly Urban	46%	
SPARSE ASSEMBLY	50%	percentage of English priority group that are RSN members

- This is a Fund for 2021/22 only and has a value of £220M
- Its purpose is stated as "help support local areas to pilot imaginative new approaches and programmes that unleash their potential, instil pride and prepare them to take full advantage of the OK Shared Prosperity Fund when it launches in 2022'.
- Supported projects are described as pilots "to empower places to explore how best to take local challenges – whether through building skills, supporting local businesses, supporting communities and places, or providing employment support" and to "allow government to evaluate how best to ensure levelling up right across the country"
- Competitive process with no pre-set eligibility. That said the Prospectus says that these pilots should support those most disengaged from the labour market. Bids may include, but are not limited to, interventions that address:
  - ✓ Supporting people to engage with local services which support them on their journey towards employment
  - ✓ Identifying and addressing any potential barriers these individuals may face in gaining support
  - ✓ Raising aspirations, supporting individuals to access Plan for Jobs employment support, find jobs and find sustainable employment
  - ✓ Supporting people to gain the basic skills they need to develop their potential for sustainable work
  - ✓ Testing what works in helping people move towards work

- The government is also interested in proposals for innovative pilots and projects that address community needs and support local places through projects such as:

  - ✓ Feasibility studies for delivering net-zero and local energy projects.
  - ✓ Exploring opportunity for promoting culture-led regeneration and community development.
  - ✓ Improving green spaces and preserving important local assets.
  - ✓ Promoting rural connectivity- for example, developing opportunities for digital functionality and physical connectivity to help realise the full potential of rural businesses. This may include exploring proposed innovative ideas for enhancing accessibility and social, economic and cultural opportunities for rural communities, including rural and green infrastructure.

- The 100 places have been identified based on an index of economic resilience" **Methodology has now been published and is being reviewed**. Will be capacity funding provided to the lead authority for these 100 places.
- Bids due by 18th June. Decisions Late July onwards.
- Maximum £3M per place (District or Unitary geography.
- Maximising the leverage of other funding encouraged. No match funding required for employment support projects and recognition that "not all projects or applicants will be able to secure match funding"