

Annex 2

Levelling-Up Fund – see [prospectus](#)

This £4.8bn capital fund brings together the DfT, MHCLG and Treasury to invest in “high-value local infrastructure”. It is open to every area but especially intended to address economic differences between different parts of the UK, including cities, ex-industrial towns, and rural and coastal communities, and there is a published priority list which puts all places into one of 3 tiers (1=high priority, 3= low priority). York is in the lowest tier of priorities, which means our projects would need to score highly on other criteria to be successful.

The Fund is “designed to help local areas select genuine local priorities for investment by putting local stakeholder support, including the local MP where they want to be involved, at the heart of its mission”. Applications can be either an individual project or a “package of multiple projects aligned with each other as a coherent set of interventions”. These can include a mix of projects from the Fund’s three investment themes but not multiple unrelated investments.

Process – First Round (subject to review – future rounds for 2022-23)

Local Authorities and Transport Authorities can bid for the funding, with one bid per MP in Local Authorities. For York, that means three bids – two for the two MPs that we have and one as the transport authority. Bids can be for single projects or packages of projects, with a £20m cap. There is an exception for Transport projects, which could be up to £50m in exceptional circumstances. Bids can also be pooled across Constituencies and Local Authority areas. The two York bids do not need to be located in the separate constituencies – they simply need to be in York and supported by the MPs.

MPs will back one bid that they see as a priority but MP support is “not a necessary condition for a successful bid”. Bidders need to show a high level of support from stakeholders such as local businesses, public transport providers, police and emergency services, community representatives, environmental representatives and universities and FE Colleges (FECs) and include stakeholder letters of support as part of the bid.

Round 1 decisions will prioritise bids that can demonstrate investment or begin delivery on the ground in the coming financial year, and this is an important consideration for areas such as York, where we are already in the lowest priority group.

The advice from Government is that

“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”.

If an MP were to support a project not physically located in their constituency, but benefiting their constituents, then both York projects could, for example, be in central York.

Bids will need to include:

- Strategic case: how project(s) support identified priorities to improve infrastructure, promote growth, enhance the natural environment and make the area a more attractive place to live and work
- Economic case: Value for money assessment, other confirmed investment
- Stakeholder support (including MP support if possible)
- Consideration of how projects will work within subsidy control (State Aid replacement) as per [Government guidance](#), as well as all other relevant legal obligations such as procurement

Bids need to be submitted to MHCLG by noon on Friday 18 June 2021. Majority-transport bids will be assessed by the Department for Transport. Investment decisions will be made by the UK Government for this funding round by autumn 2021, with funding provided from Round 1 to be spent by 31 March 2024. Further guidance on how places can submit bids will be issued shortly.

Assessment criteria:

- Characteristics of the place – Tier, so York automatically scores low here
- Deliverability - 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 – bid needs a strategic case with support from stakeholders
- Value for money – an economic case should explain the benefits of the bid and how it represents value for money

Investment Themes

Investment proposals should focus on supporting high priority projects that will make a visible impact in local areas. The prospectus provides further detail, however in summary the themes are:

- **Transport** investments including (but not limited to)
 - public transport,
 - active travel,
 - bridge repairs,
 - bus priority lanes,
 - local road improvements and major structural maintenance
 - accessibility improvements
- **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,
- 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
 - creating new community-owned spaces to support the arts and serve as cultural spaces

Projects should be aligned to and support Net Zero goals and consider impact on natural assets and nature, as well as the resilience of project to potential hazards such as flooding.