

# A 'LEVELLING UP FUND' IN NAME ONLY?

## An assessment of the first round of successful bids into the UK government's Levelling Up Fund

As part of the recent Spending Review the UK government published a list of the first 105 successful bids, worth £1.7bn, into its new £4.8bn Levelling Up Fund. No doubt all the successful projects – and many that failed in this bidding round – have substantial merits. But is the government's choice of winners likely to contribute significantly to Levelling Up?

### ***Have the weakest local economies been targeted?***

Only up to a point.

- Of the 94 successful bids in England, Scotland and Wales, only 42 are in poorest third of sub-regions<sup>1</sup> in terms of GVA per head<sup>2</sup>
- 14 of the successful bids are in sub-regions where GVA per head is above the UK average, including 6 in London

### ***Have the North, Scotland and Wales been short-changed?***

Possibly. With such a high proportion of the country's less prosperous areas, it might have been expected that the North of England, Scotland and Wales would fare particularly well, but:

- Only 43 of the successful bids (41 per cent of the total) are in the North, Scotland and Wales. The North, Scotland and Wales account for 36 per cent of the UK population.

### ***Has the government followed its own list of priority areas?***

Broadly yes.

- 62 of the successful bids are in what the government defined as 'category 1' areas – the local authorities most in need of investment from the Fund

However, following the government's categorisation of areas is not necessarily a good thing because the methodology behind the list was flawed and generated some

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<sup>1</sup> LEP areas in England, NUTS 2 areas in Scotland and Wales

<sup>2</sup> 2018 data. Source: ONS.

serious anomalies. The government did however indicate its willingness to consider bids from beyond the highest priority areas.

### ***Does this look like a political stitch-up?***

Probably not. Ministers were criticised over the allocation of the Towns Fund, which appeared to target marginal constituencies just ahead of the 2019 general election. Regarding the Levelling Up Fund:

- 45 of the successful bids are in local authorities that are Labour-led, compared to 24 in Conservative-led authorities
- 39 of the successful bids are in constituencies held by Labour, 45 are Conservative-held and 8 are SNP-held

The government has issued an explanatory note on the assessment and decision-making process. According to the note, ministerial input came late in the selection process and concerned giving preference to high quality bids, spread across Britain and across regeneration, transport and culture.

### ***Will the successful projects help deliver Levelling Up?***

This looks questionable. Levelling Up in a lasting sense almost certainly means raising the performance and prosperity of weaker local economies. Generating more good jobs would raise local incomes, and raise spending across a big swathe of the local economy. Investment that doesn't improve the economy can have other benefits but it rather misses the point.

The successful bids in the first round of the Levelling Up Fund are a mixed bag – a lot of town centre regeneration for example, and a fair bit of spending on cultural projects. The jury's out as to whether this really can deliver improvements in local economies.

### **Verdict**

So far, the Levelling Up Fund looks less like a new tool to narrow gaps in prosperity and more like England's *Local Growth Fund* under a new name. The Local Growth Fund, which operated between 2015 and 2020, likewise provided capital funding, from the same government departments, on a competitive-bidding basis, supporting projects that were widely spread across the country.

*National Secretariat  
Industrial Communities Alliance  
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LOCAL AUTHORITIES IN ENGLAND, SCOTLAND AND WALES WITH SUCCESSFUL  
BIDS INTO THE LEVELLING UP FUND

Aberdeen	Pendle
Arun	Peterborough
Ashford	Plymouth
Barrow in Furness	Portsmouth
Birmingham (x3)	Powys (x2)
Bolton	Renfrewshire
Bradford	Rhondda Cynon Taff (x3)
Brent	Rotherham (x2)
Brighton & Hove	Salford
Bromsgrove	Sheffield (x2)
Burnley	Somerset
Bury (x2)	Southend on Sea
Calderdale	Stockton on Tees
Cannock Chase	Stoke on Trent (x3)
Carmarthenshire (x2)	Sunderland
Central Bedfordshire (x2)	Tameside
Ceredigion	Thanet (x2)
Chesterfield	Tower Hamlets
Co. Durham	Wakefield
Derbyshire (S Derbys)	Wandsworth
Doncaster	West Dunbartonshire
Ealing	West Lindsey
East Sussex	Wirral
Eastbourne	Wolverhampton
Edinburgh	Wrexham
Falkirk	Wyre Forest
Forest of Dean	
Glasgow	
Gloucester	
Gloucestershire	
Highland	
Hinckley & Bosworth	
Hull	
Isle of Wight	
Isles of Scilly	
Leeds	
Leicester (x3)	
Lewes	
Lincolnshire	
Liverpool	
Liverpool City Region	
Luton	
Manchester	
Medway	
Newark & Sherwood	
Newcastle upon Tyne (x2)	
Newham (x2)	
North Ayrshire	
Nottingham	
Nuneaton & Bedworth	
Pembrokeshire	