

THE ALLOCATION OF LEVELLING UP FUNDING

In response to a Select Committee request, the Department for Levelling Up, Housing and Communities (DLUHC) has supplied a breakdown of the financial allocations by local authority across the UK from a full set of 'levelling up' funds, past and present. This note focusses on the five most recent and significant funds:

- Future High Streets Fund
- Towns Fund
- Levelling Up Fund
- UK Shared Prosperity Fund
- Community Renewal Fund

Financial totals

Table 1 (attached) shows the sums allocated to date from these funds to each of the UK regions and nations. Most of this money will not yet have been spent but it is all intended to be used by the end of the present UK government Spending Round in March 2025. These are figures released by DLUHC and the regions/nations are ranked from highest to lowest in terms of total receipts.

The North West of England comes out top at more than £1.1bn, followed by Yorkshire and the Humber at almost £880m. Northern Ireland brings up the rear at just £166m, with London next above at £269m.

It should be noted that two of the funds – the Future High Streets Fund and the Towns Fund – do not operate in the devolved nations. Reflecting their omission, the governments in Scotland, Wales and Northern Ireland will have received equivalent block grant funding via the Barnett formula but the funding they receive will not necessarily have been used for the same purposes.

The absolute amounts are however a poor guide to the extent to which funding has been targeted because the regions and nations vary greatly in size. The South East of England has a population of 9.2m, London 9.0m and the North West 7.4m, compared to just 3.2m in Wales, 2.7m in the North East and 1.9m in Northern Ireland.

Per capita allocations

A better guide to the extent to which funding has been targeted is therefore the *per capita* allocations. Table 2 (also attached) shows the funding per head. These figures are new. Again, the regions and nations are ranked from highest to lowest, but this time in terms of total receipts per head.

Wales is receiving most at £205 per head, closely followed by the North East at £199 per head. The South East and London are receiving substantially less - £42 and £30 per head respectively. Scotland's figure – £67 per head – is also low but what needs to be kept in mind here is the devolved nations' omission from two of the five funds.

Overall, it could be argued that the five funds taken as a whole do broadly target the less prosperous regions and nations of the UK.

Fund by fund the picture is rather more complex:

Future High Streets Fund – mainly targets the North, Midlands and South West, and by-passes the devolved nations. This was allocated by competitive bidding.

Towns Fund – also targets the North, Midlands and South West but the East of England too picks up a reasonable share. Ministers decided on the list of towns from which to invite bids.

Levelling Up Fund – spreads funding fairly evenly across the North, Midlands, Scotland and Wales with the rest of the country (notably London) receiving smaller per capita funding. This was allocated by competitive bidding.

Shared Prosperity Fund – Wales is by far and away the biggest winner, sufficient indeed to completely offset the zero funding from the High Streets and Towns initiatives. Other less prosperous regions (e.g. North East) fare reasonably well and little goes to the most prosperous parts of the UK. This deliberately replicates the former EU funding to the regions, which was formula-driven. Wales (and Cornwall within England) were by some margin the biggest per capita recipients of EU funds.

Community Renewal Fund – allocations to the four nations were driven by their share of former EU funding. Within each nation the Community Renewal Fund was allocated by competitive bidding.

Allocations at the local authority level

Down at the level of individual local authorities the allocation of funding is substantially more variable. In part this is because the allocation of the Shared Prosperity Fund, like the EU funding it replaces, is strongly skewed to the poorest places (Wales and Cornwall in particular). However, whereas all local authorities receive at least something from the Shared Prosperity Fund (the minimum is £1m) all the other funds have 'winners', who often

receive substantial amounts, and 'losers' who have so far received nothing¹. Indeed, some authorities have 'won' more than once from different funds, or even twice from the same fund.

At the top end of the scale a number of local authorities are receiving substantial sums², for example:

Copeland	£672 per head
Newcastle-under-Lyme	£434 per head
Merthyr Tydfil	£409 per head
Cornwall	£401 per head

In the middle there are quite a number of local authorities that cover older industrial areas, for example:

Redcar & Cleveland	£292 per head
Rhondda Cynon Taff	£248 per head
County Durham	£196 per head
Barnsley	£185 per head
Northumberland	£156 per head

Further down the scale there are a lot of local authorities that receive very little indeed, for example:

Glasgow City	£58 per head
Dover	£35 per head
Midlothian	£31 per head
Fife	£30 per head
Bolsover	£21 per head

There are also big variations between neighbouring authorities. In the North West, for example, Bolton, Wigan and St Helens receive £227, £80 and £166 per head respectively. In the North East, South Tyneside has been allocated £99 per head compared to £221 in Sunderland. This local variation reflects the mix of 'winners' and 'losers'.

**National Secretariat
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¹ Subsequent rounds of the Levelling Up Fund are likely to extend the list of winners.

² The figures presented here for local authorities exclude Community Renewal Fund allocations to combined authorities.

Table 1: Financial allocations to date, by region and nation, £m

	Future High Streets Fund	Towns Fund	Levelling Up Fund*	Shared Prosperity Fund**	Community Renewal Fund	TOTAL
North West	168.7	486.2	232.5	156.1	7.7	1,130.5
Yorkshire & Humber	96.2	422.4	186.9	159.2	14.9	879.6
West Midlands	146.1	327.5	196.0	184.5	20.0	874.1
East Midlands	63.0	346.2	203.0	113.4	15.8	741.4
South West	138.4	198.6	131.2	188.1	21.9	678.2
Wales	0	0	121.4	484.1	46.9	652.4
North East	98.5	172.2	99.8	156.1	7.7	534.4
East	24.0	287.6	86.6	66.3	12.1	476.6
South East	39.2	109.6	150.6	74.7	17.2	391.3
Scotland	0	0	171.7	175.4	18.4	365.5
London	56.6	0	64.9	144.4	3.8	269.7
Northern Ireland	0	0	48.8	104.9	12.4	166.1
UK	830.6	2,350.3	1,693.3	2,082.0	203.2	7,159.8

*Round 1

** Core DLUHC (excludes Multiply initiative)

Source: Department for Levelling Up, Housing and Communities

Table 2: Financial allocations to date, by region and nation, £ per head

	Future High Streets Fund	Towns Fund	Levelling Up Fund*	Shared Prosperity Fund**	Community Renewal Fund	TOTAL
Wales	0	0	38	153	15	205
North East	37	64	37	58	3	199
Yorkshire & Humber	17	76	34	29	3	159
North West	23	66	32	31	2	153
East Midlands	13	71	42	23	3	152
West Midlands	25	55	33	31	3	147
South West	24	35	23	33	4	120
Northern Ireland	0	0	26	55	7	88
East	4	46	14	11	2	76
Scotland	0	0	31	32	3	67
South East	4	12	16	8	2	42
London	6	0	7	16	0.4	30
UK	12	35	25	31	3	107

*Round 1

** Core DLUHC (excludes Multiply initiative)

Sources: Department for Levelling Up, Housing and Communities, ONS population estimates