

Report

To:	Community and Enterprise Resources Committee
Date:	30 May 2023
Prepared by:	Executive Director (Community and Enterprise Resources)

Subject:	UK Levelling Up Fund Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the outcome of round 2 of the UK Levelling Up Fund
- ◆ provide an update on future rounds

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the outcome of the bids be noted; and
- (2) that the information around potential future rounds be noted.

3. Background

3.1. The UK Budget on the 3 March 2021 published the prospectus for round one of the UK Levelling Up Fund (UKLUF), round 2 of UKLUF was launched on 24 March 2022 with a submission deadline of 6 July 2022.

3.2. The initial prospectus provided an indicative budget of £4 billion for the UKLUF which has subsequently been increased to £4.8 billion with £800 million set aside for Scotland, Wales and Northern Ireland to (2024/2025).

3.3. The UKLUF is a capital fund which focuses on projects that require up to £20 million of grant funding with an additional 10% match funding required. The fund has 3 main themes which are:-

- ◆ transport investments
- ◆ regeneration and town centre investment
- ◆ cultural investment

3.4. Successful bids for round one were announced in November 2021, in total £1.7 billion funding was awarded to a total of 105 projects over the UK, 8 of which were in Scotland at a value of £172 million.

3.5. Within rounds one and 2 the number of UKLUF bids authorities can submit is linked to the number of UK Parliamentary constituencies an authority has. South Lanarkshire Council theoretically may have up to 5 bids funded through the UKLUF over the term of the fund, each up to £20 million, one for each MP (including 1 cross Council bid for the Dumfries, Clydesdale, and Tweeddale parliamentary constituency) and one

transport bid which may be up to £50 million. However, it should be noted the UKLUF has a limited allocation for Scotland and while South Lanarkshire is a priority area the total funds available will not allow for multiple £20 million awards to all Scottish local authorities.

- 3.6. All local authorities within the UK can bid for funds, however, South Lanarkshire has been identified as a priority 1 area this in theory provides South Lanarkshire a certain advantage within the bid decision process.

4. Round 2 Outcome summary

- 4.1. The Council submitted bids worth £45.4 million to the UK Government for the following 3 projects: -

Shawfield Remediation and Development project value £16.2 million

In partnership with Clyde Gateway Urban Regeneration Company this bid would progress addressing the legacy of chromium contamination at Shawfield. The project sought to purchase and remediate land, build industrial infrastructure and undertake remedial work on Polmadie Burn, the project would have accelerated site remediation, delivered environmental improvements, and created industrial space and employment opportunities.

EV@SL electric vehicle charging project value £21.7 million

The bid sought to position South Lanarkshire as leading on electric vehicle charging provision and the transition to net zero through ambitious electrical vehicle charging infrastructure. The project would build four super hubs one in each geographic area and a network of fast and rapid charging points in all communities across South Lanarkshire. The bid incorporated electric vehicles for the Council's fleet and electric vehicles for third sector partners to support the transition to net zero.

Three Rivers, Clydesdale Way South Lanarkshire project value £7.5 million

The bid coordinated and submitted by Dumfries and Galloway along with Scottish Borders Council with combined value of £23 million sought to develop community and visitor infrastructure within the three Councils rural area. Within South Lanarkshire the bid aimed to complete the missing path links to the long-distance path network, connect the Clyde Walkway at New Lanark to the Southern Upland way near Leadhills and connecting to the John Buchan Way near Biggar and River Ayr Way near Glespin. The path network would support active travel between rural villages and generate increased visitor and tourism infrastructure supporting communities and the local economy.

- 4.2. Each bid was developed with consultation with the UK Government's Scottish Office and in consultation with partners and each bid included 10% match funding.
- 4.3. All the bids were submitted on time and with extensive supporting technical, financial, and economic documentation as required by the guidance documentation.
- 4.4. The second round approvals were announced on 18 January 2023 where 10 Scottish local authorities secured grants totalling £177 million (approximately 8%) of the £2.1 billion UK total. No authority that had been successful in round one was successful in round 2. None of South Lanarkshire bids were successful.
- 4.5. Written feedback was received from the UK Government on each of the bids and meetings reviewing the details of bids held with Government officials in April 2023 a summary of the feedback for each project is provided next.

4.6. Shawfield Remediation and Development

This was a strong bid across all areas assessed. Key elements that could be strengthened include the level of stakeholder engagement or evidence of this engagement, and the drawing of more explicit links between the bid and the Levelling Up agenda.

4.7. EV@SL electric vehicle charging

More detail of the economic benefits of the proposal as well as further information on delivery plans would strengthen the bid.

4.8. Three Rivers, Clydesdale Way

This was a strong bid across all areas assessed. Key elements that could be strengthened include the provision of additional supporting data and more detailed explanations which demonstrate the links between the three individual Councils project elements.

4.9. The feedback received from UK Government officials recognised that all projects were strong, eligible, and thoroughly developed and included the required supporting documentation the areas identified within the feedback to strengthen the bids were small areas of the overall bids.

4.10. During the bid assessment process after all the applications had been submitted the UK Government made a significant change to the decision making, deciding no Council could receive more than one award from UKLUF. In particular this impacted on the Councils Three Rivers bid as the partnership submission was led by Dumfries and Galloway Council and they were successful on another bid within round 2 effectively ruling out the Three Rivers and Clydesdale Way from consideration.

5. UK LUF Next Steps

5.1. A final round of the UKLUF is planned by the UK Government at this time the round details and timescales for bids have not been published. However, some insight has been gathered which is that the funds available to Scotland will be around £90 million and the completion date of expenditure will remain March 2025. The completion deadline in particular gives projects challenging restrictions especially as the timeframe for bids and decisions has not been published.

5.2. Clarity from the UK Government is required on bidding restrictions and guidance for the next round, two areas likely to form part of the guidance that would inform the Councils bidding strategy are the following. Will the number of bids submitted by a council be restricted and will the round be open to all Councils including those with an existing UKLUF award.

6. Employee Implications

6.1. The Council received £125,000 to support the development of UKLUF bids. A portion of this has been used to recruit an Economic Development Officer for 23 months and the remainder used to secure specialist advice to support applications and project development as required.

7. Financial Implications

7.1. The development of bids has been undertaken within the development funding provided by the UK Government. At this stage there are no other financial implications.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. The projects developed would have made significant contribution to the local environment through the remediation of significant land contamination or assisting in the support of reducing carbon emissions.

9. Other Implications

- 9.1. The scope and value of the new UKLUF provides a significant opportunity of capital investment around economic development People and Place. Securing additional funds these funds could support Council prioritise around the following areas:-

- ◆ SME businesses support
- ◆ poverty and inclusion
- ◆ employability and training
- ◆ rural regeneration
- ◆ supporting a low carbon economy
- ◆ economic infrastructure

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. There is no requirement to carry out an impact assessment in terms of the updates contained within this report.

David Booth

Executive Director (Community and Enterprise Resources)

10 May 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Focused on people and their needs
- ◆ We will work to recover, progress and improve
- ◆ We will work towards a sustainable future in sustainable places

Previous References

- ◆ Members Briefing - UK Funds Briefing - 10 September 2021

List of Background Papers

- ◆ None

Contact for Further Information

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