Levelling Up Fund

Webinar for Round Two Applicants – Northern Ireland
Welcome to this webinar for Round Two of the Levelling Up Fund. This webinar will cover:

- Context of the Fund
- Changes in round two
- Eligibility and role of MPs
- Investment priorities
- Submitting applications
- Assessment process
- Additional information for applicants
- Timelines
- Q&A

Any questions that are not answered today will be picked up through a FAQ that will be published on GOV.UK in the coming weeks.
The Levelling Up Fund is a £4.8 billion capital fund aimed at smaller infrastructure projects that have a visible impact on people and communities. At least 3% of the total funding awarded between round one and two will be allocated to bids in Northern Ireland, subject to a suitable number of high-quality bids being submitted.

Levelling up requires a multi-faceted approach. The Levelling Up White Paper has set out the UK Government’s levelling up vision and the Levelling Up Fund sits within this, delivering as part of a broad package of complementary UK-wide interventions.

The Fund will prioritise places in need of economic recovery and growth, regeneration and improved transport connectivity.

The Fund is jointly managed by HMT, DLUHC and DfT, representing a new approach aiming to end siloes in Whitehall that make it difficult to take a holistic approach to the infrastructure needs of local areas.

The first round saw £1.7bn awarded to 105 successful projects across the UK, with £49m awarded to 11 successful projects in Northern Ireland.

Much of the process, including investment themes, eligibility and the role of MPs, remains the same in round two, with some improvements based on feedback.
Changes in round two

- There have been a number of changes, based on feedback from the first round, that will make it simpler for organisations to apply in the second round of the Fund.

- We have introduced an online application portal, to improve the user experience.

- A number of pro forma documents will be provided to help streamline the evidence requirements for applications.

- The second round permits bids of up to £50 million by exception under the Fund’s culture and heritage investment theme.

- As part of the strategic fit assessment, we are also asking applicants in Scotland, Wales and Northern Ireland to set out how their bid aligns or complements wider public service investments made available by Devolved Administrations and their agencies.
Eligibility and the role of MPs

• In Northern Ireland, we will accept bids from a range of local applicants, including but not limited to businesses, universities, voluntary and community sector organisations, district councils, the Northern Ireland Executive (transport only), and other public sector bodies.

• For transport projects, the Northern Ireland Executive holds many of the relevant powers. Where they are the lead applicant they must engage with and secure the support of the relevant local council for the area in which the bid is based, in order to be considered for funding.

• Northern Ireland Executive Departments are not eligible to bid for projects under the culture and regeneration themes, where the lead applicant should operate at a more local level. In all cases, the applicant will need to have the powers and/or relevant consents to deliver the projects that form part of their bid.

• In Northern Ireland, MPs cannot offer formal priority support to bids but can offer general support as stakeholders. Applicants are encouraged to consult their local MP.

• Unsuccessful applicants from the first round of LUF are eligible to re-apply with a version of their bid in this round, noting the changes mentioned.
The Levelling Up Fund will invest in genuine local priorities, prepared in collaboration with local stakeholders, that can be delivered in the next three to four years. The Fund will focus on three investment themes:

- Regeneration and town centres;
- Culture and heritage;
- Transport

The Fund focuses investment on projects that require less than £20m of funding, with up to £50m available by exception for larger transport or culture projects.

No ringfence is applied across the three investment themes, and places can incorporate interventions across multiple themes within a single bid.

The Fund is a capital fund.

To ensure projects are delivered to programme and budget, we encourage bids to include a local financial contribution representing at least 10% of total costs. A contribution will also be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific project.
The Regeneration and Town Centres investment theme recognises the importance of town centres as focal points in communities and local economies.

Proposals should focus on supporting high priority projects that will make a visible impact in local areas, recognising that what constitutes priority investment will vary across local authorities and geographies, including in rural areas of the UK.

The Levelling Up Fund builds on other funds to support the renewal and regeneration of town centres and high streets.

The first round of the Fund saw 51 successful bids under the Regeneration and Town Centres theme, awarding almost £800 million.

Projects submitted for appraisal under this investment theme may include:
- Leisure centres and retail sites;
- Removal of derelict buildings to allow space for new developments;
- Acquisition and remediation of abandoned/brownfield sites;
- Improving the public realm;
- Creating better connectivity between key sites
- Providing infrastructure to help make town centres and high streets more accessible for people with disabilities
• The Culture and Heritage investment theme looks for projects which will create or renew the type of cultural assets that can rejuvenate places and lead to positive economic and social outcomes at a local level.

• The first round of the Fund saw a wide range of successful projects in this theme, with 31 successful bids receiving over £440 million in funding. This includes £26.6 million awarded to 5 successful bids in Northern Ireland.

• The second round of the Fund will go even further, allowing for two large bids to be funded up to £50 million under the Culture theme.

• Proposed investments in this theme should actively complement funding already delivering or set to deliver in a given area.

• Projects submitted for appraisal under this investment theme may include:
  • upgrading and creating spaces including sports facilities, cultural spaces and facilities, visitor attractions, prominent landmarks, historical buildings or green spaces;
  • protecting cultural sites from crime and anti-social behaviour;
  • new, upgraded, or protected community hubs, spaces or assets;
  • acquiring, renovating, and refurbishing key cultural and heritage sites including hostels and historic buildings and sites, including accessibility improvements where needed
The Transport theme invests in the type of local transport projects which can revitalise local economies by boosting growth, improving connectivity, and making places healthier, greener, safer, and more attractive places to live and work.

To help meet the vital commitment to Net Zero, we expect that any local road projects will also deliver or improve cycling and walking infrastructure and include bus priority measures, unless it can be shown that there is little or no need to do so.

The first round of the Fund saw over £450 million invested in transport, through 23 successful projects across the UK. This includes two projects in Northern Ireland, which were awarded a total of £6.5 million.

Projects submitted for appraisal under this investment theme may include:
- investments in new or existing cycling provision
- improved priority for local bus services (e.g., bus priority lanes or signal priority at junctions)
- enhanced public transport facilities, such as bus stops and stations, and improving their security
- accessibility improvements to local transport networks for disabled people
- enhancements and upgrades to local road networks (e.g. bypasses and junction improvements)
- structural maintenance works to local roads, including bridges;
- multi-modal proposals which combine two or more interventions to enhance transport across modes
• The application window opens on Tuesday 31 May 2022. Applicants must submit their application in full along with any supporting documentation by the deadline of 12:00 noon on Wednesday 6 July 2022. Any bids or further information submitted after this deadline will not be assessed or considered for funding.

• Applicants submitting a package bid (those with two or three projects), must clearly explain how their component elements are aligned with each other and represent a coherent set of interventions. These applications will be assessed at the bid level rather than as individual projects. If there are weaknesses in one of the projects, organisations should be mindful that it will adversely impact on the overall score of their bid.

• Organisations also have the option of submitting a joint bid, where two or more organisations are collaborating on a project or a package bid of up to 3 projects.
As with round one, there will be a **three-stage approach to assessment and decision-making**, which is set out in the published guidance.

- **Stage 1 Gateway**: The first stage is a **pass/fail gateway** criterion, where bids will be assessed against several criteria, including whether they can deliver some LUF expenditure in 2022/23. All non-public sector organisations who wish to apply in Northern Ireland are required to submit:
  - The last three financial years annual accounts that have been independently examined/audited.
  - Evidence demonstrating that they have directly delivered two capital infrastructure projects of a similar size and scale of the project as a whole. **Bids that do not meet this gateway criterion will not be considered further.**

- **Stage 2 Assessment and Shortlisting Bids: In Northern Ireland** bids will be assessed against three criteria:
  - Strategic fit
  - The economic case
  - Deliverability

- The three criteria carry equal weighting. A funding shortlist for NI will be drawn up from those bids that score the highest overall and who score at least average or above on strategic fit, the economic case, and deliverability.

- **Stage 3 Decision Making**: Once bid assessment and moderation has concluded, and the shortlists have been drawn up, Ministers will make funding decisions. Ministers may take account of some or all of the additional considerations set out in the Technical Note.
Additional information for applicants

• **Updated technical and application form guidance** is available on GOV.UK which provides further detail on eligibility, MP support and the application and assessment process for the second round of the Levelling Up Fund.

• **State Aid & Subsidy Control:** If the Levelling Up Fund is used to provide a subsidy, expenditure must be compliant with the UK’s obligations on subsidy control. (or State Aid for aid in scope of the Northern Ireland Protocol) as per UK Government guidance - which can be found here: [https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-onsubsidy-control-guidance-for-public-authorities](https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-onsubsidy-control-guidance-for-public-authorities)

• **Monitoring and Evaluation:** Guidance on monitoring and evaluation is set out in Annex E of the Technical Note. This should be read alongside the Magenta Book which can be found here: [https://www.gov.uk/government/publications/the-magenta-book](https://www.gov.uk/government/publications/the-magenta-book)

• **FAQs:** will be published on gov.uk and updated regularly.

• **Webinar slides and recordings:** Will be made available once all sessions have concluded and a series of teach-in videos will be available in early May covering; Procurement, Business Case Development and Monitoring & Evaluation.
<table>
<thead>
<tr>
<th>When</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2022</td>
<td>Teach in videos, covering areas such as Value for Money and Business Cases, available for potential applicants.</td>
</tr>
<tr>
<td>May 2022</td>
<td>FAQs published on GOV.UK</td>
</tr>
<tr>
<td>31 May 2022</td>
<td>Application window opens</td>
</tr>
<tr>
<td>15 June 2022</td>
<td>Deadline for applicants to submit questions to <a href="mailto:lufteam@levellingup.gov.uk">lufteam@levellingup.gov.uk</a></td>
</tr>
<tr>
<td>6 July 2022 (12:00 noon)</td>
<td>Deadline for applicants to submit bids</td>
</tr>
<tr>
<td>Summer 2022</td>
<td>Bid assessments</td>
</tr>
<tr>
<td>Autumn 2022</td>
<td>Decision making</td>
</tr>
<tr>
<td>Autumn 2022</td>
<td>Round two funding announcements made</td>
</tr>
</tbody>
</table>
Q & A

Following this session, further questions can be submitted to
lufteam@levellingup.gov.uk
Annex – useful links

