

1 Context

What is levelling up?

The UK has longstanding and persistent geographical disparities in economic and social conditions and outcomes. In the UK's former industrial regions there are disproportionate levels of premature mortality, accompanied by lower rates of employment growth and substantially higher rates of poverty.

Efforts to address these divides have consistently been unable to close them, and the longstanding disparities of economic and social disadvantage have only grown over recent years.

However, the latest of these efforts – the UK government's flagship levelling up agenda, a cornerstone of former Prime Minister, Boris Johnson's 2019 election campaign – aims to do better than initiatives that have gone before, suggesting the creation of opportunities for everyone across the UK by:

- Improving jobs, pay and living standards;
- Making streets safer;
- Protecting health and wellbeing;
- Investing in high streets and town centres; and,
- Improving local transport.

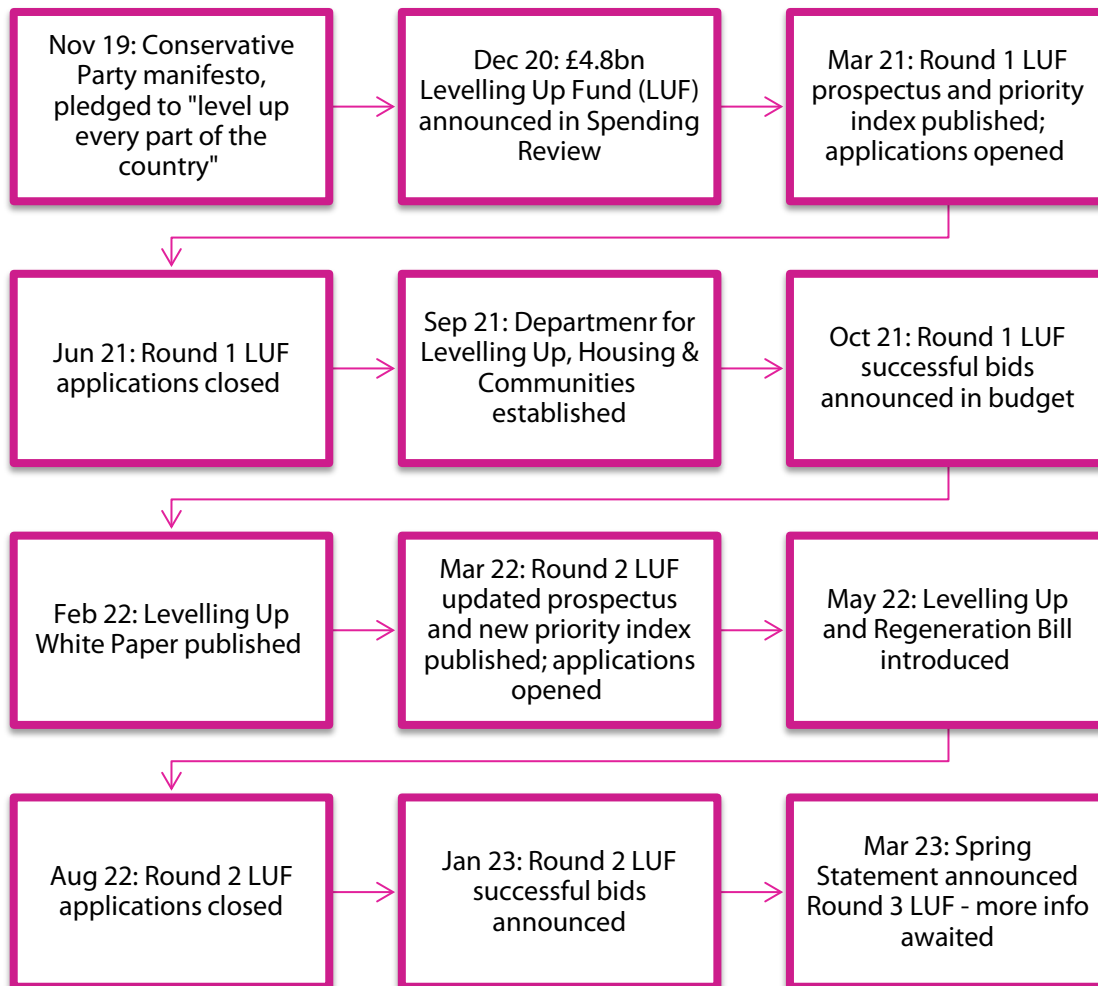
To deliver on these ambitions, a package of interventions with a total £11bn funding has been committed by the UK government, which includes:

- The £3.2bn **Towns Fund** (England), to drive sustainable economic regeneration and productivity;
- The £4.8bn **Levelling Up Fund** (UK wide), to support town centre and high street regeneration, local transport projects, cultural and heritage assets;
- The £220m **Community Renewal Fund** (UK wide), to help local areas prepare for the launch of the UK Shared Prosperity Fund and targeted at areas most in need to support people into skills training and employment;
- £2.6bn for the **UK Shared Prosperity Fund** to replace European funding (UK wide), to build pride in place and increase life chances; and,
- **Freeports** (known as Greenport's in Scotland) – to drive innovation, global trade and promote regeneration.

The Fund

The focus of this report is the £4.8bn Levelling Up Fund. Announced in the 2020 Spending Review, the government has since completed two rounds of funding.

Figure 1: Levelling Up Fund Timeline



Source: CLES, 2023

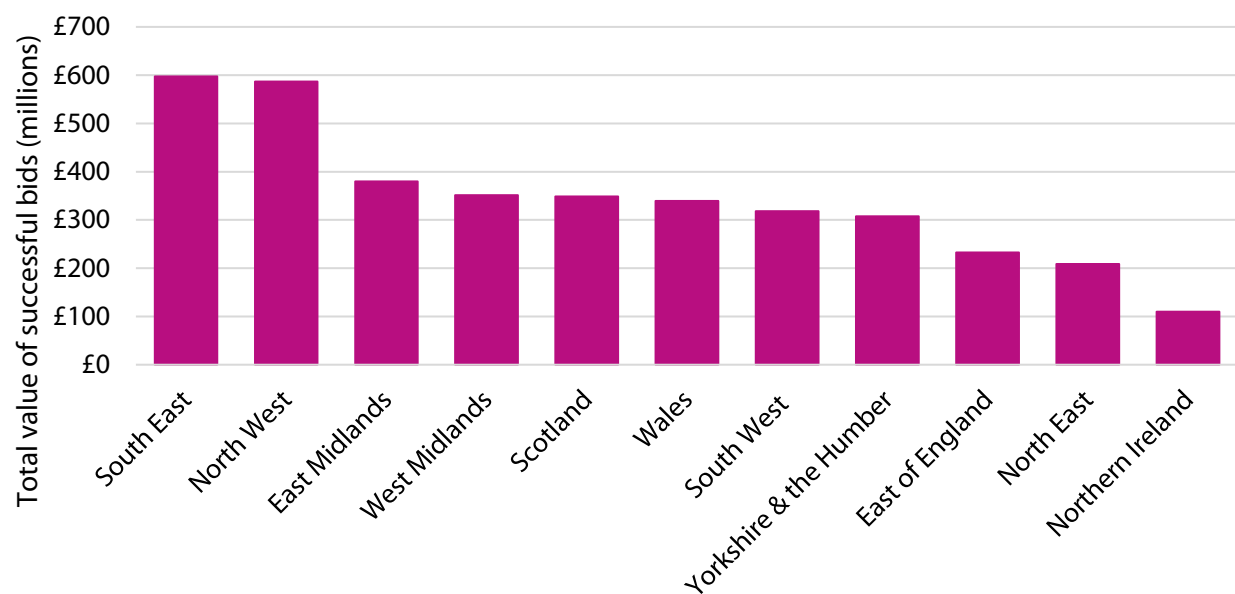
Focusing on capital investment in local infrastructure as a means of driving regeneration, economic recovery, and growth in places in need (areas of low productivity and connectivity), the Fund asked for project bids to be put forward that would deliver against one or more of the following investment themes:

- Town centre and high street regeneration, including remediation and repurposing of vacant and brownfield sites;
- Improving local transport connectivity and infrastructure, including upgrades to local bus, road and cycle infrastructure;
- Maintaining and regenerating cultural, heritage and civic assets.

As is the case with many of the other funding initiatives designed to support the levelling up agenda, the Levelling Up Fund is allocated to local areas through a competitive bidding process. A priority index set out the government’s findings on areas most in need, but all areas, regardless of their rank on the index, were eligible to develop and submit bids to the Fund.

The first round of the Levelling Up Fund supported £2.1bn of projects in 111 areas across UK regions and the devolved nations, whilst the second round supported 216 projects with a further £1.7bn. Of all bids submitted, 1 in 3 were successful in round one, and 1 in 5 in round 2. In total, it was the South East and North West regions that received the greatest share of funds – with each being awarded approximately 16% of the total expenditure.

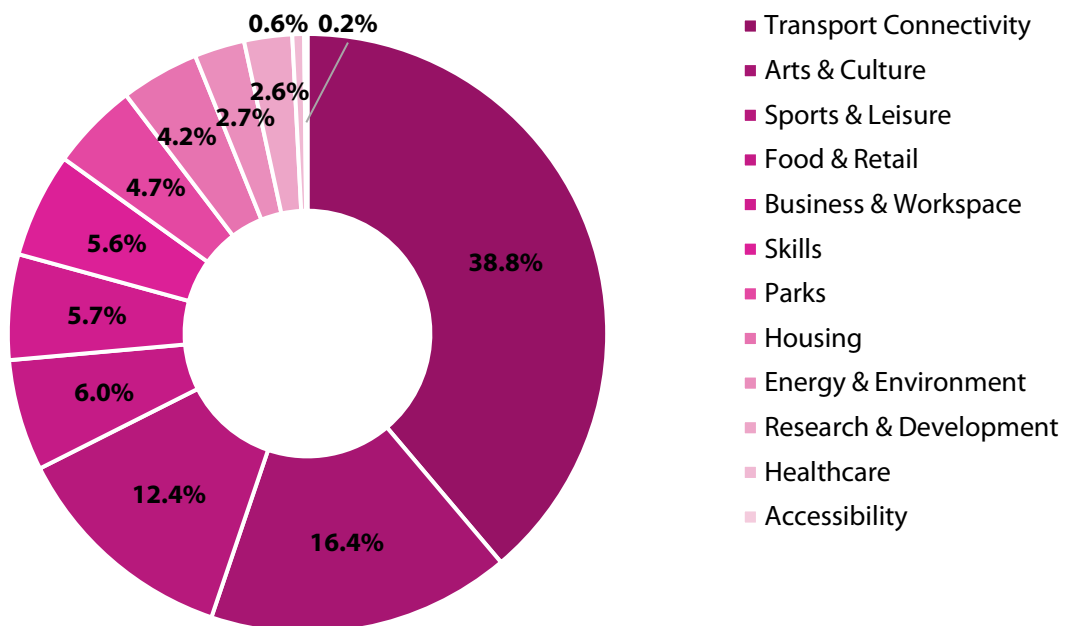
Figure 2: Total value of successful LUF1&2 bids by UK regions & devolved nations (£m)



Source: CLES analysis of Department for Levelling Up, Housing & Communities data, 2023

Across rounds one and two, the largest proportion of successful project bids were those delivering transport connectivity improvements, followed by arts and culture, sports and leisure, and food and retail facilities – which is reflective of focus areas and criteria outlined within the Levelling Up Fund prospectus.

Figure 3: Total value of successful LUF1&2 bids by broad project category (%)



Source: CLES analysis of Department for Levelling Up, Housing & Communities data, 2023

The levelling up concept has been controversial from the beginning, particularly because it lacked clarity in terms of definition and impact. The publication of the government’s Levelling Up White Paper provided more information about their expectations and direction of travel for the project and, for the first time, publicly acknowledged the scale of the regional wealth divide in the UK. However, the White Paper was criticised for its verbosity and lack of detail in terms of long-term delivery, particularly in its lack of commitment to a long-term financial settlement for local government.

Whilst the rollout of the Levelling Up Fund has been generally welcomed in terms of providing much needed on the ground investment in local economies, it has also been heavily criticised by the [National Audit Office](#) for the challenges of the application process and a lack of clarity in terms of overall objectives and evaluation of impacts. There have also been widely publicised concerns about the politicisation of the Fund, leading [some commentators](#) to suggest that more funding was awarded to areas favoured by the Conservative-led government, although these statements have not been proven. Moreover, local authorities have criticised the lack of longer-term revenue support for project initiatives, reflecting that capital projects will often be anchored to future financial needs such as the repair and maintenance of new assets or ongoing management.

Nonetheless, with many of these projects now on the journey to delivery, and a third round of funding expected soon, this toolkit has been designed to support local governments and partners to consider ways to maximise the benefits of their levelling up capital investment projects.

2 Project examples

The case study examples below illustrate how a range of different local authorities have designed and delivered their Levelling Up Fund projects.

Through a combination of secondary literature review and consultation with local authority representatives, the case studies seek to provide a more detailed understanding of different types of Levelling Up Fund initiatives and the ways in which project leads are seeking to maximise the socioeconomic impact of their secured investments on their localities. The case study examples have been chosen to cover a variety of different UK regions, devolved nations, and project categories, to gather insights from diverse contexts on how councils are making their levelling up projects a success.



Reactivating Galloway

Dumfries and Galloway, Scotland

The Reactivating Galloway project aims to revitalise Dumfries and Galloway by restoring its natural and cultural heritage and repurposing redundant spaces into thriving cultural and leisure destinations.

In doing so, it seeks to diversify the local economy, position Galloway as an active tourism destination, and strengthen existing industries. Town centre regeneration is a key focus, providing new focal points to attract visitors and facilities to be enjoyed by the local community, helping to enhance local pride in place. The project aims to stimulate the visitor economy, enhance culture and leisure offerings, and overall quality of life.

The project consists of three interconnected initiatives:

- £5.4m funding: Dalbeattie Rocks and Wheels – transforming a former primary school site into a facility for outdoor activities, including visitor accommodation.
- £4.6m funding plus 10% Council grant: Stranraer Water Sports Centre –establishing a water sports hub near the marina in Stranraer.
- £8.7m funding: George Hotel Stranraer – regenerating a former hotel site into a mixed-use community arts, culture, and activity centre.

Maximising impact

To maximise the project's socioeconomic impact, the team waited until round two to submit to the Levelling Up Fund to ensure they were aligned with Fund priorities. This also enabled stakeholder engagement to play a crucial role, allowing for the consideration of local perspectives and priorities.

The project aligns with broader initiatives, such as new [National Park designations in Scotland](#) and the [Borderlands Inclusive Growth Deal](#), further strengthening its socioeconomic impact.

By diversifying the local economy beyond traditional sectors such as farming and forestry, the project aims to increase access to upland areas for various outdoor activities. It actively involves local suppliers and contractors and intends to address supply chain issues by working with skills agencies and colleges. The adoption of social value frameworks and community-based management models, particularly in the George Hotel project, ensures long-term viability and community engagement.



Caerphilly leisure and wellbeing hub

Caerphilly, Wales

Caerphilly County Borough Council, located in the South Wales valleys, faces significant challenges stemming from the decline of coal and steel industries, resulting in high unemployment rates and social deprivation. In response to these issues, the Council has secured £20m for the Caerphilly leisure and wellbeing hub.

The hub will provide accessible, affordable, and needs-led facilities to promote healthy lifestyles for all residents. It will offer state-of-the-art leisure amenities, including a community swimming pool, wellness spa, sports hall, fitness suite and children's adventure soft play area. In addition, it will feature multi-purpose community spaces designed for collaboration, events, and private functions. The provision of affordable and flexible community spaces seeks to empower local groups, fostering a sense of community and enhancing community relations. The hub will serve as a social space, partnering with organisations such as Public Health Wales and Aneurin Bevan University Health Board to offer services that promote wellbeing and address community health needs.

Maximising impact

The project aligns with the Council's [10-year Sports and Active Recreation Strategy](#), which focuses on promoting active lifestyles in diverse formats. It goes beyond physical infrastructure development and emphasises partnerships with public and community organisations. These partnerships enable the delivery of tailored health and wellbeing services, including social prescribing, to address social, health and financial inequalities in the area.

It also aligns with the broader [Caerphilly 2035 Masterplan](#), which aims to transform the area into a tourist destination. The leisure and wellbeing hub plays a crucial role in meeting the targets and ambitions outlined in this strategy, attracting visitors and stimulating economic growth.

In addition, the project prioritises environmental sustainability, in line with the Council's commitment to the climate emergency and its [Decarbonisation Strategy](#). The Council is also collaborating with the Welsh government to leverage funding and reduce the need for future

retrofitting, promoting long-term sustainability.

The project takes a comprehensive approach to community wellbeing and development by operating as a mixed-use community hub. By offering Council services on-site it aims to foster trust between citizens and the Council.

Overall, the Caerphilly leisure and wellbeing hub represents a significant investment in the community's physical and social wellbeing, environmental sustainability, and economic growth. Through strategic partnerships, innovative programs and a comprehensive approach to community development, the project aims to create a more inclusive, resilient, and prosperous community.



Redeveloping Carnfunnock Country Park

Mid and East Antrim, Northern Ireland

Larne in County Antrim is a major port on the east coast of Northern Ireland and has seen economic growth in the past decade, but also faces deprivation, with several areas ranking among the most deprived in Northern Ireland in terms of education skills/training, living environment and crime and disorder. There is a lack of cross-community space or facilities, which are crucial at a time of rising community tensions as disputes continue in a post-conflict and post-Brexit era. To address these challenges, Mid and East Antrim Borough Council (MEABC) secured £6m from the Levelling Up Fund to redevelop Carnfunnock Country Park.

The Country Park, a 191-acre parkland owned by MEABC, will undergo a transformation to become an attractive destination for residents and tourists. Improvements include the construction of new facilities, upgrades, and infrastructure improvements. The project aims to act as a catalyst to regenerate Larne's town centre, enhance the park's natural heritage and create a shared and inclusive space for the town's residents, as well as visitors.

Maximising impact

The project incorporates sustainable design principles to minimise its environmental impact. The current building on-site will be repurposed with an environmental lens, focusing on net-zero goals.

Community consultation has been a crucial aspect of the project's design, allowing park users to provide input on improvements to existing infrastructure and facilities. A master plan has been developed to enhance the park's key assets, ensuring that the redevelopment meets the needs of both residents and tourists. By actively involving local communities in the decision-making process, the project fosters a sense of ownership, unity, and pride among residents.

The redevelopment of Carnfunnock Country Park is poised to attract people to Larne, benefitting the economically challenged area. By sharing the economic benefits of tourism with the surrounding deprived neighbourhoods, the project aims to build community wealth. An emphasis

on educational enrichment activities and apprenticeships for young people further contributes to social value and creates economic opportunities.

Through its comprehensive approach, the project has the potential to establish Larne as a more inclusive, sustainable, and vibrant town, and foster a stronger sense of pride and unity among its residents.



Greenways network

Ards and North Down, Northern Ireland

Ards and North Down Borough Council secured £3.2m from the Levelling Up Fund to develop an extensive greenways network within the Borough. This transformative project aims to connect major towns and the Greater Belfast area, spanning a total distance of 16km of safe and accessible routes for pedestrians and cyclists which would not have been possible with Council funding alone.

The proposed greenways network addresses existing challenges such as the lack of safe paths and connectivity issues with town centres, creates new routes between Newtownards and Bangor and extends existing ones from Comber to Newtownards. The primary objective of the greenway network project is to promote walking and cycling as sustainable modes of transportation. The Council aims to create cohesive and safe communities while protecting and enhancing the natural environment. Improved lighting, signage, and Wi-Fi infrastructure have been incorporated to enhance safety and connectivity.

Maximising impact

The Council engaged the local community, businesses, and stakeholders to ensure the greenway development aligned with residents' preferences and needs. Collaboration with partners such as the Department for Infrastructure, [Translink](#), and [Sustrans](#) has been instrumental in maximising the project's impact, with Translink developing a park and ride along the route, improving access for students.

The project aims to diversify the local supply chain, leveraging local skills and businesses for construction. Social value clauses ensure the use of local businesses and tradespeople, with a focus on engaging individuals not in education, employment or training. The Council collaborates with local colleges to provide opportunities for the local workforce. Additionally, repurposed cabins from a formerly derelict site in Bangor have the potential to be placed along the greenway routes, serving as cafes, repair centres, artist hubs and leisure spaces.

With extensive consultation, commitment to social value, and collaboration with partners, the greenways project promises to bring lasting benefits to residents, businesses, and the environment.



Haigh Hall and Woodland Park

Wigan, England

Wigan Council has secured £20m from the Levelling Up Fund for the restoration of Haigh Hall to create an arts, culture, and heritage destination of national significance. Funding for the site has been supplemented with £2m from Wigan Council and a £3.78m grant from the National Lottery Heritage Fund.

The project seeks to increase accessibility to heritage assets, develop an expanded volunteer network, provide education provision within the park, support the local economy through job creation and establish a unique model of wellbeing delivery.

Maximising impact

The Council actively involved residents in the development of plans, with hundreds of local residents sharing their views and aspirations for the future of Haigh Hall. This inclusive approach ensures that the project meets the needs and desires of the local community, fostering a sense of ownership and pride.

Furthermore, the project will enhance the quality of life for residents by offering access to high-quality cultural amenities, promoting social interaction and community cohesion.

In addition to the social impact, the project is expected to have a significant economic impact on the area. The restoration of Haigh Hall and the development of Haigh Woodland Park as a heritage attraction will increase visitor numbers, attracting tourists and boosting the local economy. The creation of new facilities and amenities will generate employment opportunities in various sectors, supporting job growth and economic development. The project's focus on the local supply chain and collaboration with local businesses will further stimulate economic activity and create a multiplier effect on the wider economy.

Moreover, the project's emphasis on sustainability and biodiversity will contribute to the area's long-term economic viability. The restoration will enhance the biodiversity value of the park and woodlands, making it an even more attractive destination for nature enthusiasts. The council's development of a Woodland Management Plan and the removal of invasive plant species will not only improve the ecological health of the area but also create opportunities for nature-based tourism and eco-friendly initiatives.



Willenhall housing development

Walsall, England

Willenhall, a town located in the Walsall Metropolitan Borough of the west midlands, has a rich industrial heritage and the town takes pride in its well-preserved historic centre with listed buildings, which contribute to its Conservation Area designation.

Despite its historical significance and economic potential, Willenhall faces significant challenges resulting from its industrial past. Issues such as environmental contamination, costly groundworks and the removal of industrial infrastructure have hindered development in the area. Additionally, Willenhall is amongst the 10% most deprived areas nationally and experiences crime rates approximately 22% higher than the regional average.

To address these challenges, Walsall Metropolitan Borough Council has secured £20m from the Levelling Up Fund to launch a housing development project in Willenhall. This initiative is an integral part of a larger £210m regeneration strategy for the town.

The Council approved the acquisition and consolidation of fragmented sites under single ownership in February 2022, aiming to mitigate the risks associated with housing redevelopment and foster collaboration between stakeholders, local government and the private sector. The allocated funding will be used to construct over 100 high-quality, energy-efficient homes, including affordable options, and to improve the streetscapes on brownfield land.

The project's objective is to directly contribute to the improvement of residents' quality of life by addressing limited housing diversity, shortages of owner-occupied homes and private rental options.

Maximising impact

The development plans have been shaped through extensive engagement with local stakeholders, including residents, businesses, and community groups. Public consultation was conducted to gather input from residents, ensuring their priorities for quality housing and improved walking and cycling links were incorporated into the framework plan. This collaborative approach ensures that the project aligns with the needs and aspirations of the Willenhall community.

The project also emphasises enhancing transport infrastructure, aiming to promote active travel and improve overall connectivity in the community.

By addressing housing and movement challenges, overcoming land ownership barriers, and maximising social impact, the project is poised to contribute to the long-term prosperity and wellbeing of Willenhall. It seeks to revitalise the area, improve the local economy and create a sustainable environment that honours the town's distinct heritage and mixed land uses.

3 Levelling up toolkit

Introduction

This toolkit aims to help local authority project leads and their partners to consider ways in which the social, economic and environmental impacts of Levelling Up Fund projects can be maximised. To do so, the toolkit provides a framework of considerations for project leads to refer to throughout different stages of a project’s lifecycle: from the design and development of new projects to procurement strategies, commissioning, implementation and ongoing operation and improvements.

The five checks

There are five core “checks” for project leads to appraise when considering how to maximise the impact of levelling up projects:

Figure 4: The five checks for maximising impact of Levelling Up Fund projects



Source: CLES, 2023

To support delivery against each of the five checks a number of aspects need to be considered throughout the project’s design and delivery. Some of these aspects may already be part of everyday practice and incorporated into strategies and established processes, others may not, and are likely to require a degree of innovation in process and collaboration to adapt approaches.

Check 1: We are working to combat climate and nature emergencies

The mitigation of, and adaptation and resilience to, the effects of climate change must be at the core of all local economic development regeneration efforts. To support and accelerate the journey to zero carbon and ensure the wellbeing of current and future generations, new local infrastructure investment projects can work to reduce greenhouse gas emissions through supporting green transitions across transport, domestic and business uses, and through the protection and enhancement of greenspaces.

This can be done in a number of ways:

Reducing direct emissions

Through climate conscious project design and development, projects can ensure greenhouse gas emissions reduction is embedded centrally to a project's aims and approach. This can also deliver improvements in thermal and energy efficiency with knock on benefits for health and cost savings. Many Levelling Up Fund projects are showing the potential to deliver transport connectivity enhancements to prioritise and enable greater use of cycling and walking, public transport, and alternative fuel vehicles. Projects supporting the refurbishment of properties or the development of new properties, can aim for meeting zero carbon standards and using eco-friendly building materials, taking inspiration from [Passivhaus](#) developments.

Enhancing the natural environment

By prioritising the biodiversity of outdoor public spaces, through techniques such as rewilding, projects can ensure that they are creating nature-rich spaces that support wildlife, improve air quality and sequester carbon. For example, councils across the country have been supporting biodiversity by making significant adaptations to [how they manage public land](#).

Reducing waste

Throughout a project's design, development and ongoing operations, there are many opportunities to consider where sharing and circular economy principles can be embedded to reduce waste materials, heat and power. These measures also optimise resources through increasing their re-use, by supporting businesses and communities to share facilities, equipment, vehicle fleets, and more. In Devon, the surplus heat produced by a micro data centre is being utilised to power the public swimming pool at [Exmouth Leisure Centre](#).

Green energy production

Project leads can explore the potential for land and assets to be used for local renewable energy generation. The Council-owned land at [Abney Park in Hackney](#) is an example of this – where the land is now being used to generate ground source heat. Renewable energy production is also able to generate additional revenue streams which can be re-invested into local sustainable regeneration efforts.

Check 2: Our spend is delivering local social value

Adopting a progressive approach to procurement and commissioning throughout project development, construction and ongoing operations can maximise the positive impact the Levelling Up Fund has on the local economy. A project spend strategy can be used to strengthen the local business base through the establishment of shorter supply chains and realise a multitude of social value and environmental sustainability benefits. Additionally, there is value in utilising council in-house teams to deliver project elements, where possible, rather than relying on an outsourced approach, enhancing opportunities to improve public service outcomes and deliver against local priorities.

To make this happen, a number of steps can be taken:

Target project spend where it's needed most

Targeting spent to a specific geography where it can have an immediate and direct impact, such as an area of high deprivation, can support the ability of the investment to reduce inequalities. The [Caerphilly leisure and wellbeing hub](#) Levelling Up Fund project aims to reduce health and income deprivation and improve community wellbeing in the heart of Caerphilly – where there is a particularly high incidence of poor health in areas of multiple deprivation.

Analyse your supplier base, including public services

Develop a deep understanding of the capabilities of local public services, local authority in-house services and the local business base, to understand the potential for capturing project spend locally. This can be done through secondary data analysis or by working with umbrella business bodies (e.g., a chamber of commerce, business improvement district or the Federation of Small Businesses). As a result of business support requirements on local authorities throughout the Covid-19 pandemic, many Councils have a greater understanding of, and better-established communications streams with, their local businesses – which can help in developing strategies to localise project spend. [Fife Council](#) have used the intelligence they gathered about local markets through the Covid-19 grant funding process to target their own procurement expenditure towards growing and diversifying their local SME base.

Deliver social value and sustainability outcomes through procurement

To generate greater social value from contracts with suppliers (particularly from larger multi-national organisations), project leads can build requirements on the need to deliver social value outcomes into tenders. Project leads should consider the key social value outcomes intended from the project and develop appropriate questions with suitable weighting to embed these outcomes into tender requirements and evaluation of tenders, including the consideration of a pass/fail weighting for any crucial non-negotiable social value requirements. Requirements could include the need for sustainable standards into new building or renovation design (i.e. BREEAM, zero carbon or Passivhaus), pre-qualification criteria to encourage local procurement, developing skills

and training opportunities, and trade union access and/or representation (e.g., [Unite's Construction Charter](#) – 11 requirements for contractors and their supply chains). Procurers should also look to embed social value commitments into the contracts of successful suppliers to hold them to account on their commitments, and ensure monitoring processes are in place to identify social value efforts delivered and outcomes realised.

Engage local anchor organisations

Bringing together [anchor institutions](#) to explore the opportunities surrounding the levelling up project aims locally can maximise its impacts of the project through complementary activity. If there isn't an established anchor network locally, the levelling up agenda could provide a valuable catalyst to [convene anchor institutions](#) to understand their potential in supporting local wealth building. The [Birmingham Anchor Network](#) are delivering important joint activity to provide accessible employment opportunities for Birmingham residents from disadvantaged communities and neighbourhoods, identify achievable procurement opportunities for local businesses, and local economic development opportunities linked to their physical assets

Check 3: We are deepening the function of land through greater engagement with communities

To maximise the value that local communities receive from land and property assets, project leads can explore the ways Levelling Up Fund initiatives refurbish and extend community use of underutilised buildings and outdoor spaces and by maximising community uses into new building designs. Adopting a proactive stance to managing property development and deriving maximum benefit for local people, through ensuring the project aligns with local public services outcomes, provides an opportunity to build a stronger local economy, rather than exacerbating inequalities, and enhances opportunities for public service improvement.

A number of approaches can be taken to do this, including:

Co-production with the community

Public consultation is a key part of any local economic development and regeneration project, supported by statutory requirements and government guidance. Enhancing community engagement through the project design stage allows for greater co-production of projects with users and beneficiaries. Community groups can also be involved in the design and development of projects, and this model is increasingly being utilised in initiatives to increase local energy production, for example in [North Ayrshire's Community Renewable Energy Generation Funding Scheme](#)

Extending community use

Project teams can consider how community use of spaces can be extended, through investigating what elements of a new development, or refurbishment of currently underutilised premises, can be harnessed by different community groups. Many Levelling Up Fund and Towns Fund initiatives are focussing on innovative mixed-use spaces that combine residential, commercial, leisure and greenspace. Keeping assets in public ownership enables project leads to incorporate the principles of maximising community uses in building designs and operating models long-term, as opposed to focussing on the sale of assets for private or commercial use. The [Reactivating Galloway](#) project focusses on repurposing redundant spaces into thriving cultural and leisure destinations.

Aligning projects with local public service outcomes and improvements

Project leads should consider the broader potential for projects to enhance local public service delivery and outcomes for residents. For example, levelling up funding can be used to deliver investment that enhances local parks and green spaces, and deliver improvements to walking and cycling routes. In [Mid and East Antrim](#), levelling up investment is being utilised to transform the 191-acre parkland owned by the Council to improve services and accessibility, while in [Dundee](#), it is being used to redevelop a 1970s multi-storey car park into a sustainable transport hub and to deliver connectivity enhancements that prioritise walking and cycling.

Check 4: Our project enhances training and employment opportunities for all

A critical part of Levelling Up is reducing inequalities in access to opportunity within our communities. Levelling Up Fund project investment has the potential to increase fair work and develop local labour markets that support the wellbeing of communities, through targeted approaches to maximise skills and employment opportunities for all. Without careful project design, capital infrastructure investment alone can be at risk of falling short of delivering against this aim.

A number of considerations are key:

Maximising skills and employment opportunities for all

Project teams should commit to maximising the impact of any potential employment opportunities arising from investment by targeting these opportunities towards the people and communities who need them most. Manchester City Council's [My Future ILM](#) programme focussed on using their role as a procurer to support young people not in employment or training into high quality employment. Similarly, Leeds Teaching Hospitals NHS Trust's [pre-employment training scheme](#) was set up in collaboration with Leeds City College to support hard to reach groups to access training and employment opportunities.

To adopt similar approaches project teams should consider:

- Assessing the local skills base in project management, construction and engineering teams, and operation teams longer term, to understand local capacity and potential gaps in the local labour market.
- Taking proactive action in labour market shaping, through supporting apprenticeship and skills programmes with training opportunities in-house to develop future public sector skills and support communities, and work with local education and training providers to address gaps.
- Working with partners offering employment and pre-employment support to support local awareness raising regarding related skills and employment opportunities, articulating and advising on the career paths available, as part of levelling up projects.

Establishing best practice

When delivering and procuring goods and services, councils can shape the quality of jobs through establishing requirements for best practice in their own and their suppliers' contracts. For example, ensuring good working conditions and [Fair Work principles](#), commitments to paying the real [Living Wage](#), being a [Disability Confident Employer](#), [Living Hours Employer](#) and signing up to an [Employment Charter](#) or local equivalent.

Check 5: We are promoting and supporting the involvement of local public services and locally owned and socially minded enterprises

To support the delivery of local economic and community benefits and resilience through Levelling Up Fund projects, design and commissioning teams can focus on actively supporting and developing more local and social enterprises.

This can be done in a number of ways:

Supporting the involvement of local public service providers including local authority in-house teams

The involvement of local public service providers, including local authority in-house teams, within project design, development and delivery can bring added value to projects. In-house teams are able to advise on maximising local outcomes by aligning projects to ongoing service development and improvement plans, and ensuring outcomes are enhanced. For example, by designing in biodiversity and longer-term maintenance cost-management in walking and cycling schemes, using local knowledge. In addition, in-house teams are often at the heart of developing apprenticeships and training opportunities; a particular area of growth in terms of new green skills for the future.

Supporting locally-owned businesses

Project teams can maximise the use of procurement frameworks to look for opportunities to encourage more local supply chains. This also applies in relation to the project design and bid development phase, where using local consultants, architects and engineers will support the local economy as well as bringing expert knowledge of the local area. Engaging suppliers based in areas of deprivation can go further in supporting the delivery of targeted local benefit. [Preston's efforts](#) to localise the impact of collective spending across the city's anchor institutions has brought millions of pounds back into the local economy, delivering positive impacts for local jobs, health and wellbeing – including [new research findings](#) that during the period in which Preston's community wealth building programme was introduced, there were fewer mental health problems than would have been expected compared to other similar areas, as life satisfaction and economic measures improved.

Diversifying your suppliers

Project leads can go further with supplier engagement, using procurement as an opportunity to support the development of a supplier pipeline of alternative enterprise models – such as community businesses, social enterprises, and employee-owned enterprises, as well as procuring from public sector providers, many of which now provide services on a 'profit for a social purpose' basis. These businesses have greater social and environmental purpose, more inclusive ownership models and re-invest surpluses in line with these aims – thus, driving wealth retention within the community. In the Liverpool City Region, mayor Steve Rotheram has supported the work of [Kindred](#) to grow the impact of the social economy by supporting investment in socially-trading organisations. Over the last seven years, £6.5m has been committed to the project.

Making opportunities accessible

Through adapting procurement approaches to provide greater simplicity project teams can reduce barriers to new market entrants and small businesses. The expertise of local authority teams in supplier engagement and knowledge of local supply chains is key in this approach – communicating opportunities to local enterprises, conducting pre-market engagement and encouraging local collaboration and consortium bids. The [Scottish Supplier Development Programme](#) aims to raise the visibility of contract opportunities and support local supply chain development. The programme focusses on encouraging greater supplier engagement and supports local SMEs and third sector organisations with tender readiness and navigating public procurement processes.

4 Conclusion

APSE commissioned this work from CLES to develop this toolkit for local authorities to maximise the impact of the Levelling Up Fund for their local economies.

The toolkit provides a definition of what good looks like when it comes to levelling up, in terms of delivering intended outcomes and impacts, and outlines several routes to realising that impact.

Case studies illustrate how a range of different local authorities have designed and delivered their Levelling Up Fund projects, and the ways in which project leads are seeking to maximise the socioeconomic impact of their secured investments on their localities. Through developing these case studies it has become apparent to us that levelling up initiatives are bringing together local authority teams and departments to work together. Project leads have expressed significant commitments to delivering sustainable projects, not just for people and place, but also for planet – with environmental sustainability playing a central role in underpinning the design of every project studied.

This toolkit provides a framework of considerations for project leads to help them and their partners to consider ways in which the social, economic, and environmental impacts of Levelling Up Fund projects can be maximised. The toolkit sets out five core “checks” for project leads to appraise when considering how to maximise the impact of levelling up projects:

Figure 5: The five checks for maximising impact of Levelling Up Fund projects



Source: CLES, 2023

Local governments are taking hold of the opportunities that the levelling up agenda has presented, delivering much needed improvements to their places. Councils across the UK are demonstrating the potential to deliver new and improved developments that deliver better outcomes, that maximise the impacts of capital investment. From prioritising combatting the climate emergency, to capturing greater social value, engaging more closely with their communities to ensure facilities better meet their needs, improving access to opportunities, and supporting local authority in-house teams and local enterprises.

That said, the broader picture of the design of the Levelling Up Fund limits its potential as a mechanism to meaningfully reduce inequalities within and between local areas across the UK. The competitive bidding pot has resulted in inefficiencies, with wasted resources amongst local authorities as a result of the high numbers of unsuccessful bids, and with a number of the UK's most deprived areas being amongst those not yet awarded funding. Further, the focus of the Fund on physical regeneration through capital infrastructure investment limits the potential to also support much needed improvements in local public services. Finally, there is potential left unlocked – funding awards being limited in scale and designed for the short-term does not enable local councils to plan, create and sustain long-term change in response to the challenges their areas are facing. This is especially true of projects which create a longer-term draw on revenue support to manage or maintain assets and infrastructure in the future.

A roundtable discussion with APSE's National Council found great frustration at the rejection of bids, a need to repeatedly submit new bids and the costs associated within competitive bidding processes. This approach was condemned as ineffective and costly [by APSE's Local Government Commission 2030](#).

A general election is now on the horizon, and with any new government, there is uncertainty on the future of the levelling up agenda and what shape it will take. However, the demand remains, and local councils will need to continue to lead local economic development and regeneration that decreases inequalities, and in the context of the current cost-of-living crisis, climate, and nature emergencies, delivering much better outcomes for people and planet.

Whatever shape Levelling Up takes as a policy objective in the future it must be fundamentally reformed to deliver sustainable funding, securing meaningful long-term finance for local authorities, who are undoubtedly at the heart of this critical agenda.

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