

Greater Brighton Economic Board

Agenda Item 5

Subject: The Levelling up Agenda

Date of meeting: 19th July 2022

Report of: Chair, Greater Brighton Officer Programme Board

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LA(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 In February 2022, the Secretary of State for Levelling Up, Housing and Communities (DLUHC) unveiled the government's [Levelling Up White Paper](#). The Paper sets out a complete 'system change' of how government works that will be implemented to level up the UK.
- 1.2 Within the paper there are three topics of significance. These are;
 - (a) Levelling up
 - (b) UK Shared Prosperity Fund (UKSPF)
 - (c) Devolution
- 1.3 The three streams are very much interlinked with the over-riding ambition being to change geographical inequalities and bring success to the whole country, making the economy stronger, more equal, more resilient, and improving people's lives.
- 1.4 Members of the Greater Brighton Economic Board ("the Board") have discussed the implications for the City Region and agreed on some next steps to maximise the opportunity offered by the levelling-up agenda.

2. Recommendations

- 2.1 That the Board endorses all Levelling Up Fund Round 2 bids submitted by Greater Brighton authorities (appendices 1 & 2) and agrees that the Chair of the Board should write a letter of support in relation to each bid.
- 2.2 That the Board notes that the bids outlined in appendices 1 & 2 have the potential to create a new pipeline of Board-backed projects for the city region.
- 2.3 That the Board agrees that members should be encouraged to work together on the delivery of UKSPF interventions where such interventions will be more effective on a geographic scale which is wider than an individual local authority's area.

- 2.4 That that Board agrees its local authority members should reflect 2.s in all UKSPF Investment Plans they submit.
- 2.5 That the Board agrees officers should continue to consider opportunities for the Greater Brighton functional economic area arising out of the Levelling Up White Paper

3. Context and background information

Summarising the Levelling-Up White Paper

- 3.1 Geographical inequality is a striking feature of the UK – it has larger geographical differences than many other developed countries on measures including productivity, pay, educational attainment and health. The Levelling Up White Paper sets out a mission to change that. It sets out a ‘system change’ that government see is needed to bring about economic dynamism and innovation, and to drive growth across the whole country, unleashing the power of the private sector to unlock jobs and opportunities.
- 3.2 Whilst the Government will be focused on levelling up across England, policy makers and decision makers at a local level will be looking to level up their own localities. Taken as a whole, Greater Brighton is an area of low unemployment, home to a skilled workforce, and offers high-value jobs across a number of sectors. However, the opportunities and prosperity are not distributed evenly across the City Region and there are pockets of real deprivation, low skills and poor social mobility. Levelling up provides a chance to tackle some of these local imbalances.
- 3.3 Levelling up requires a focused, long-term plan of action and a clear framework to identify and act upon the drivers of spatial disparity. These drivers are encapsulated in six “capitals”: Addressing geographic disparities will require a fundamental rewiring in the system of decision-making, locally and nationally. Five pillars have been identified to underpin the policy regime.
- 3.4 At the heart of the new way of making and implementing policy are 12 national missions to be achieved by 2030. These missions are the policy objectives for levelling up, and thus form the heart of the government’s agenda for the 2020s. They include areas such as pay & productivity, digital connectivity, skills, health, education and pride in place.

Devolving power to local leaders

- 3.5 The government recognises that if it tries to level up the UK alone, it will fail. That is why the White Paper sets out a clear intent to devolve power from Whitehall to local leaders across England. The paper sets out the greatest devolution of power we have seen in modern times.
- 3.6 The government acknowledges the strong local leadership mayors in areas such as Greater Manchester and the West Midlands Region have shown, and wishes to replicate this across England. There will be a new model for

England with more mayors for those areas that want one. The government is set to initially invite 9 areas to agree new county deals and seek to agree further Mayoral Combined Authority deals, extending devolution across England. These include Cornwall, Derbyshire & Derby, Devon, Plymouth and Torbay, and Suffolk.

- 3.7 The White Paper announces negotiations for a new Mayoral Combined Authority deal for York and North Yorkshire and an expanded Mayoral Combined Authority deal for the North-East, as well as negotiations for ‘trailblazer’ devolution deals with the West Midlands and Greater Manchester to extend their powers - with these deals acting as blueprints for other Mayoral Combined Authorities to follow.

UK Shared Prosperity Fund

- 3.8 The £2.6bn UK Shared Prosperity Fund (UKSPF) was originally announced after the UK decided to leave the EU. This would ensure continuity with EU Structural Funding. The overarching objective of the fund is to build pride in place and increase life chances. The three investment priorities are; Community and Place, Supporting Local Business and People and Skills.

- 3.9 A blended approach has been adopted to allocate funding to each place:
- within the continuity model that maintains EU structural fund distributions, 70% is allocated on a per capita basis, within each region based on Local Authority population size
 - 30% of the allocation uses the same needs-based index previously used to identify UK Community Renewal Fund priority places, namely: Productivity, Household income, Skills, Productivity -Places with lower population density.

- 3.10 Greater Brighton Local Authority allocations:

Authority	Core UKSPF	Multiply	Total
Adur	£1,000,000	£0	£1,000,000
Arun	£1,083,399	£0	£1,083,399
Brighton and Hove	£1,766,076	£917,932	£2,684,008
Crawley	£1,000,000	£0	£1,000,000
Lewes	£1,000,000	£0	£1,000,000
Mid Sussex	£1,000,000	£0	£1,000,000
Worthing	£1,000,000	£0	£1,000,000

- 3.11 Interventions supported by UKSPF will need to consider local and national policies and priorities, including demonstrating the contribution towards government’s net zero and nature recovery objectives, and wider environmental considerations such as commitments made in the 25-Year Environment Plan. To support green growth, places should consider how projects can work with the natural environment to achieve project objectives.

- 3.12 The supporting local business investment priority will enable places to fund interventions that support local businesses to thrive, innovate and grow. Support from the business community and the universities is integral to

delivering successful and impactful interventions. Local authorities have engaged with the business sector and will continue to do so.

- 3.13 Local government is being given responsibility for developing an investment plan for approval by the UK government, and for delivery of the Fund thereafter. £20,000 is going to be available per lead local authority to undertake initial preparatory work for the Fund, including developing their local investment plan for submission in August.
- 3.14 This funding is in addition to each place's allocation, and will be paid on sign-off of each place's plan.

Opportunities and key areas for consideration

3.15 Impact on existing partnership

- A focus of the paper is around the movement to unitary status – either by counties and districts agreeing county deals or unitary councils within a county geography combining.
- The paper is not explicit on the future of Local Enterprise Partnerships (LEPs). However, it is clear that Government expects funds to flow direct to combined authorities or to groups of authorities via county deals, which implies a limited future for LEPs as we know them.
- A new Devolution Framework sets out a clear menu of options for places in England that wish to unlock the benefits of devolution.
- Four principles underpin the framework and will guide future devolution deals and these are; effective leadership, sensible geography, flexibility and appropriate accountability.

3.16 Funding

The paper is light on announcing any new funding. Most of the funding described in the paper is already known.

- The UK Shared Prosperity Fund is outlined in 3.8-3.14 above.
- A commitment to vastly simplify the local growth funding landscape to allow local leaders to drive tangible, visible change in their communities.

3.17 Strategic focus:

- The paper is aligned to Government's net zero targets, so green growth is very much to the fore. Having agreed the GB10 Pledges in 2020 and more recently the Blue Green Investment Plan, and being a big supporter of Hydrogen Sussex (which span-out of the Greater Brighton Infrastructure Panel), the City Region is well placed to help Government deliver its objectives.
- Government places a high level of importance on the role creative industries will play in levelling up. Greater Brighton is home to a strong creative industries sector including some renowned clusters.
- The Government places emphasis on private sector investment driving change. Within the Blue Green Investment Plan the plans for a revised Infrastructure Panel include leveraging in private sector investment. We will need to deliver on this commitment.

- The £1.4bn Global Investment Fund shows the importance Government gives to inward investment from overseas. Whilst this is a potential opportunity for Greater Brighton, competition for investment will only intensify, so the city region will need to be clear and consistent in its messaging.

Agreed actions and next steps

- 3.18 Appendices 1 and 2 contain a list of Levelling Up Fund Round 2 bids submitted by Greater Brighton Local authorities. These important interventions constitute a pipeline of new projects in the city region that deliver economic benefits and level up within the city region. The Chair of the Board will produce a letter of support for each of the bids as appropriate.
- 3.19 Work is progressing on developing the UKSPF Investment Plans requested by Government. Each Greater Brighton local authority is developing their own Investment Plans which can be submitted from 1st August. The Greater Brighton Leaders have met to discuss the opportunity for collaborating across boundaries on the Investment Plans, within the parameters set out by Government.
- 3.20 The funding period for UKSPF is over three years. Once the individual Investment Plans are completed the opportunities around collaboration on shared priorities and joint interventions will become clear. Therefore the potential for linking up on the Investment Plans is greater in years 2-3 and this will be reviewed as we progress through the UKSPF period.
- 3.21 In recent months minds have been focused around preparing UKSPF Investment Plans as per the Government timetable. The next step would be to consider the other possible opportunities that the Levelling Up agenda presents. As outlined in 3.17 above, the transition to net zero and the creative industries have a key role to play in levelling up, and work already ongoing presents a real opportunity for the city region. Devolution is also an area where there may be an opportunity. A sensible approach will be to start engaging with Greater Brighton and wider regional partners.

4. Analysis and consideration of alternative options

- 4.1 The common understanding is that the south east is not a priority area for levelling up funding. As a region, Greater Brighton will need to be on the front-foot, consistent and aligned in its approach to compete for the limited funding opportunities that arise. This is why the actions and next steps outlined in 3.18-3.21 above are important.
- 4.2 Without taking this proactive and collaborative approach to levelling up there is a danger that opportunities will be missed and Government will look to other regions to deliver its objectives.

5. Community engagement and consultation

- 5.1 Local authority partners, including businesses have been consulted and engaged with regards the UKSPF Investment Plans as they are crucial to the successful delivery of the projects/interventions within the plans. The individual projects will also have their own stakeholder engagement plans.

6. Conclusion

- 6.1 This paper outlines some of the key themes and opportunities presented by the Levelling Up agenda and makes some recommendations around next steps for the Greater Brighton Region.
- 6.2 Moving ahead with these next steps, including looking to collaborate wherever possible, will ensure that the region can derive maximum benefit from levelling up.

7. Financial implications

- 7.1 A total of £47.933m will be applied for by Greater Brighton authorities to the Levelling Up Fund Round 2 bids to support the three projects Madeira Terraces, Burgess Hill Town Centre and Worthing Cultural Mile projects. Details of the costs and plans are included in Appendix 1 & 2 of this report.
- 7.2 The £2.6bn UK Shared Prosperity Fund (UKSPF) would ensure continuity with EU Structural Funding. The Greater Brighton Local Authority allocations are shown in table 3.10 above and total up to £7.849m across the 7 authorities. Separate allocations of £20,000 will be made available to lead local authority to undertake initial preparations and for developing the local investment plan.

Name of finance officer consulted: Rob Allen, Principal Accountant
Date consulted (06/07/22):

8. Legal implications

- 8.1 The legal implications of any devolution deal will be considered if discussions progress in our area.

Name of lawyer consulted: Alice Rowland, Head of Commercial Law
Date consulted: 08/07/22

9. Equalities implications

- 9.1 The main purpose of the Levelling-Up Agenda is address disparities and inequalities across the UK. At a local level, local authorities and wider regions will be looking to tackle imbalances in their locality by delivering interventions that improve outcomes for all residents.

10. Sustainability implications

- 10.1 Delivering sustainable growth is a priority for the Board, and this became increasingly important over the last 18 months as the City Region looks to

recover from the impact of the COVID-19 pandemic. Growing economic, cultural and demographic constraints within the city region require us to be more resourceful with our amenities.

- 10.2 Projects/interventions within the UKSPF Investment Plans and the projects seeking funding from Levelling Up Round 2, will all have their own sustainability criteria.

Supporting Documentation

Appendices

1. Greater Brighton Levelling Up Fund Round 2 bids
2. Summary of Levelling Up Fund Round 2 bids

