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## **UK GOVERNMENT LEVELLING UP PARTNERSHIP**

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### **Report by Director of Resilient Communities**

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## **COUNCIL**

**14 December 2023**

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### **1 PURPOSE AND SUMMARY**

- 1.1 This report provides an update to Elected Members on the recent announcement by UK Government to form a Levelling Up Partnership with Scottish Borders Council. This partnership aims to deliver £20million of new UK Government investment into the region to support the local economy and communities and address regional inequality.
- 1.2 The Chancellor announced in the Autumn Statement on 22 November £80million of new funding for four new Levelling Up Partnerships (LUPs) in Scotland, including the Scottish Borders. These are a first for Scotland, following UK Government delivery of a programme of LUPS across England.
- 1.3 Levelling Up Partnerships are about Government working with a place to address specific local challenges and opportunities. The first stage of the process will involve a three month 'deep dive' with Government officials, to understand the needs and aspirations of local communities. The funding will be allocated based on evidence, and the deliverability of potential projects. The £20million capital funding must be spent in 2025/26.
- 1.4 Further guidance from UK Government is expected early in the new year.

### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Council:**
  - (a) **Notes the announcement made by UK Government to form a Levelling Up Partnership in the Scottish Borders which aims to deliver £20million of additional investment in the local economy and communities.**
  - (b) **Asks officers to bring back a further report once UK Government guidance has been issued to set out the Levelling Up Partnership process and next steps.**

### **3 BACKGROUND**

- 3.1 The Chancellor announced in the Autumn Statement on 22 November £80million for four new Levelling Up Partnerships (LUPS) in Scotland, including the Scottish Borders.
- 3.2 These are the first for Scotland, following UK Government delivery of a programme of LUPs across England. Up to £20million direct capital funding will be available for each of the four LUP areas in Scotland, covering Scottish Borders, Western Isles, Argyll & Bute and Dundee City councils.
- 3.3 Levelling Up Partnerships are about Government working with a place to address specific local challenges and opportunities. The first stage of the process will involve a three month 'deep dive' with Government officials, to understand the needs and aspirations of local communities. The process will focus on areas of greatest need, and will involve consultation with local residents and community groups.
- 3.4 This process will also look at quantitative evidence to identify challenges and opportunities, working closely with the local authority and also with Scottish Government officials to also consider linkages to the Growth Deals and the Regional Economic Partnership.
- 3.5 The funding will be allocated based on evidence, and the deliverability of potential projects. This £20million capital funding needs to be spent in the financial year 2025/26. It is expected some additional resource funding will also be made available to support the delivery of this investment.
- 3.6 This funding allocation is additional to the capital allocations made via the 'Levelling Up Fund' (LUF) process. While they share the same aim to address regional economic inequality, LUF funding was allocated on a competitive basis over three funding rounds, with an additional allocation provided to 55 towns across the UK. SBC, recognised as a priority area under the LUF programme, was successful for one of three bids it submitted as part of this process, for a joint bid for Dumfriesshire, Clydesdale and Tweeddale Constituency of a total value of £23 million as reported in November.
- 3.7 Further guidance from UK Government is expected early in the new year.

### **4 LEVELLING UP PARTNERSHIPS IN ENGLAND**

- 4.1 Levelling Up Partnerships are relatively new and aim to bring the collective power of Government together to provide bespoke place-based regeneration. 20 places were identified for Levelling Up Partnerships in England, including Middlesbrough, Hastings, and Sandwell, building on 'deep dives' in Grimsby, Blyth, and Stoke-on Trent.
- 4.2 Following the successful roll out of LUPs in England, the Department for Levelling Up, Housing and Communities (DLUHC) has been working with Scottish Government to agree an approach to selecting LUPs in Scotland. Together, they have designed a methodology for selecting LUPs that fits the

policy context and needs of communities in Scotland, including the specific needs of rural areas.

- 4.3 The focus for LUPs in England has tended to be around some form of town centre regeneration. This includes projects such as the construction and refurbishment of assets (for example civic hubs, business space, active travel solutions). Several of the investment proposals also involve some form of housing provision, for example in Middlesbrough or Sandwell, or in Blyth see [Major funding package to level up Blyth - GOV.UK \(www.gov.uk\)](#). The focus in Mansfield summarised the opportunity for them as: *"The new funding is set to be used on local priorities such as reviving high streets, tackling anti-social behaviour, improving transport, boosting visitor numbers and growing the economy"*.
- 4.4 The methodology for allocating funding in England focused on four policy outcomes – skills, pay, productivity and health. Some of the areas (Hull and Blackburn) used the funds to focus on skills, for example see [Council Leader welcomes near £20m funding boost as Hull's Levelling Up Partnership plans revealed - Hull CC News](#). However, in those cases, the funds were used in conjunction with other funding streams, for example a successful LUF bid.
- 4.5 The experience in England has focused LUPs investment in towns and cities with a much smaller geographical focus than in the Scottish Borders, meaning that the £20million spent on regeneration was concentrated into a more tightly focused geographical area. The experience from these areas on the partnership approach seems positive, for example in Grimsby, see report from their CEO [Rob Walsh: Levelling up Grimsby – the 'deep dive' experience | Local Government Chronicle \(LGC\) \(lgcplus.com\)](#). Although the context is very different, the partnership and direct involvement of DLUHC and other Whitehall departments has provided an opportunity to better and more directly articulate local challenges and opportunities to central government, and leverage this relationship to tackle more strategic outcomes.
- 4.6 Finally, as well as the focus on evidenced based decision making, the successful delivery of this investment opportunity will be driven by the deliverability of the potential projects, as the window for spending the £20million capital investment in 2025/26 is tight. This will rely on projects being 'shovel ready', with advanced plans in place for project design, costings and permissions being in place.

## **5 IMPLICATIONS**

### **5.1 Financial**

There are no direct costs attached the recommendations contained in this report. It is expected that further work will be needed to fully understand the resource implications for the delivery of LUP projects once guidance is received from UKG. It is understood that £90k of revenue funding will be made available from UKG to support the Levelling Up Partnership process.

## 5.2 Risk and Mitigations

As above, further work will be needed to fully understand the risks and the mitigations needed to successfully deliver £20million of capital investment in the timescales indicated by UKG. The deliverability of project proposals will be key to managing and mitigating these risks.

## 5.3 Integrated Impact Assessment

A full integrated impact assessment (IIA) will be completed for projects that receive LUPs investment. It is expected that the 'deep dive' process will involve consultation with equalities groups at an early stage.

## 5.4 Sustainable Development Goals

It is likely that LUPs projects will deliver against a number of UN Sustainable Development Goals, including Goal 8; Decent Work and Economic Growth, Goal 9; Industry, Innovation and Infrastructure, and Goal 10; Reducing Inequalities.

## 5.5 Climate Change

LUPs projects will be assessed against the criteria in the checklist on Climate Change and opportunities to mitigate and/or enhance the activity in terms of climate change impacts will be fully explored.

## 5.6 Rural Proofing

Rural Proofing is not required as the proposals in this report do not relate to new or amended Council strategy or policy.

## 5.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

## 5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals contained in this report.

## 6 CONSULTATION

- 6.1 The Chief Executive, the Director Corporate Governance, Director Finance and Procurement, the Chief Officer Audit and Risk, the Director (People Performance & Change) and Corporate Communications have been consulted and any comments will be reported to Council.

### Approved by

**Name** Sam Smith

**Title** Chief Officer Economic Development

### Author(s)

Name	Designation and Contact Number
Sam Smith	Chief Officer – Economic Development, 01835 825612
Alexandre Belle	Corporate Policy Advisor

**Background Papers:** None.

**Previous Minute Reference:** None.

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Sam Smith can also give information on other language translations as well as providing additional copies.

Contact us at [Samantha.Smith1@scotborders.gov.uk](mailto:Samantha.Smith1@scotborders.gov.uk)