

Housing and Infrastructure Board

29 June 2022

Levelling Up Update

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

Martin Swales, Executive Director of Infrastructure and Place (Interim)

Report Author(s):

Matt Bartle

Matt.Bartle@southyorkshire-ca.gov.uk

Colin Blackburn

Colin.blackburn@southyorkshire-ca.gov.uk

Executive Summary

Following the launch of the Government's Levelling Up White Paper, the Board requested a summary of key announcements, details and implications for South Yorkshire (SY) and SYMCA linked to the Board's housing and infrastructure agendas.

What does this mean for businesses, people and places in South Yorkshire?

Levelling up requires a focused, long-term plan of action and a clear framework to identify and act upon the drivers of spatial disparity. Evidence from a range of disciplines indicates these drivers can be encapsulated in six "capitals":

- Physical capital – infrastructure, machines, and housing.
- Human capital – the skills, health, and experience of the workforce.
- Intangible capital – innovation, ideas, and patents.
- Financial capital – resources supporting the financing of companies.
- Social capital – the strength of communities, relationships, and trust.
- Institutional capital – local leadership, capacity, and capability.

Recommendation

The Board is asked to:

- Note the Levelling Up update and discuss the strategic implications for housing and infrastructure in South Yorkshire.

Consideration by any other Board, Committee, Assurance or Advisory Panel

N/A

1. Background

- 1.1 The Board requested that an update be given on the Government's Levelling Up agenda and the emerging impacts on South Yorkshire, particularly as they related to the Board's strategic housing and infrastructure remit. The Levelling Up and Regeneration Bill supports the Government's manifesto commitment to level up the United Kingdom. The Government's objective is to reverse geographical disparities between different parts of the United Kingdom by spreading opportunity more equally.
- 1.2 To this end, on 2 February 2022, the Government published 'Levelling Up' the United Kingdom White Paper 1. This highlighted disparities between regions and within regions of the UK across economic, social, and environmental measures.
- 1.3 A Levelling Up Fund (LUF) was announced and bids were submitted by local authorities and the SYMCA (transport package only) in LUF Round 1, with some success. Round 2 has recently been launched, which SYMCA intends to submit to, with bids invited to Government by 6th July 2022.

2. Summary of Key Points

- 2.1 This section provides an overview of the key areas linked to the White Paper, and where appropriate details of the impact or the opportunity each presents SYMCA and its partnering authorities.
- 2.2 £1.7bn of first round funding (£4.8bn in total) for the Levelling Up Fund has been announced for 105 projects. South Yorkshire had five successful bids securing £95m for projects, which was 5.8% of the total budget for Britain. However, SYMCA's transport bid was not successful. The five successful schemes were:
 1. Major waterfront extension in Doncaster (£18.6m)
 2. New hospitality and visitor centre at Wentworth Woodhouse in Rotherham (£20m)
 3. Finishing the Culture and Leisure Quarter in Rotherham Town Centre (£19.6m)
 4. Delivering the Centre for Child Health Technology in Attercliffe. Sheffield (£17m)
 5. Regenerating Castlegate Quarter in Sheffield (£20m)
- 2.3 The other announcements included:
- 2.4 **Innovation**
 - 55% of Government's domestic Research and Development (R&D) funding to be focused outside the Greater Southeast by 2024/25.

- Domestic public investment in R&D outside the Greater Southeast will increase by at least 40% and at least one third over the Spending Review period, with intention to lever at least twice as much private sector investment.
- South Yorkshire wasn't one of the three Innovation Accelerators of major place-based centres of innovation, but there will be opportunities to secure some of the available innovation investment including to transform business investment.

2.5 **Devolution**

- Commitment to vastly simplify the local growth funding landscape to allow local leaders to drive change.
- Encouraging the integration of Local Enterprise Partnerships (LEPs) and their business boards into MCAs.
- More powers to existing MCAs, called 'Level 3' Devolution where a Mayor is already in place to include:
 - UK Shared Prosperity Fund (UKSPF) planning and delivery at a strategic level.
 - Long-term investment fund.
 - Devolution of locally led brownfield funding – SYMCA has been allocated £53m brownfield housing funds for spend by end March 2025.
 - Ability to establish Mayoral Development Corporations (with consent of host local planning authority).
 - Strategic Partnerships with Homes England across the Affordable Housing Programme and brownfield funding.

2.6 **UK Shared Prosperity Fund (UKSPF)**

- The UKSPF is the major economic development fund, replacing EU Structural and Investment Funds. The UKSPF aims to contribute to 'Levelling Up' by providing financial assistance (largely revenue) to boost productivity, tackle geographical inequalities and improve life chances, especially in deprived areas.
- It will be allocated to and delivered by the SYMCA. South Yorkshire's three-year allocation totals £46.2m, made up of £7.3m Multiply (an adult literacy scheme) and £38.9m "Core" UKSPF.
- The Investment priorities are People, Place, and Business, which links well with the Strategic Economic Plan (SEP).
- Each Place will need to produce an Investment Plan, which needs to be submitted by 1 August 2022. SYMCA is working closely with LAs to develop this Plan.

2.7 **Housing**

- The '80/20 rule' will be scrapped, which previously led to 80% of Government funding for housing supply being directed at 'maximum affordability areas' - in practice, London and South East.
- A £1.5bn Levelling Up Home Building Fund is being launched, which will provide loans to Small to Medium sized developers and supports the UK Government's wider regeneration agenda in areas that are a priority for levelling up.

2.8 **Brownfield funding**

- Much of £1.8bn brownfield funding will be diverted to transforming brownfield sites in the North and Midlands. It is being proposed that this will be used to regenerate underused land and deliver transport links and community facilities, with a proportion distributed directly to MCAs and local authorities to unlock smaller brownfield sites in line with local priorities and needs.

- Metro Mayors were to be allocated £120m of this funding, of which £13m has been allocated to the SYMCA's Brownfield Housing Fund.
- Homes England is being repurposed to, in addition to its existing functions, regenerate towns and cities. SYMCA is working closely with Homes England and local authorities on potential further brownfield housing schemes to be funded through the SYMCAs Brownfield Housing Fund.

2.9 Culture

- Commitment to significantly increasing cultural spending outside of London.
- Commitment that 100% of the Arts Council England funding uplift agreed at the latest Spending Review will be spent outside London.
- A new 'National Youth Guarantee' of £560m to be spent by 2025 on refurbishing youth facilities, activities, and volunteering. Two-thirds of it will be spent in areas with 'high levels of child deprivation'.
- As plans develop, SYMCA and key stakeholders will look to embed culture in line with defined parameters in bids.

2.10 Transport – LUF Round 2 Bid

Under current guidance SYMCA is permitted to bid for between £20-£50m for a scheme(s) that focuses on transport only. SYMCA is currently preparing a 'package' proposal focusing on the areas detailed below:

- Making South Yorkshire's Public Transport sustainably SMART for the people of South Yorkshire.
- A Demand Responsive Transport (DRT) service, developed from the Bus Service Improvement Plan (BSIP) and in response to network issues, with three main pillars:
 1. Service Infrastructure
 - Technical Platform on which to operate the service and provide the customer interface
 - Zero emission vehicles to deliver the service
 2. SMART Customer Interactions
 - Integrated ticket buying and validation system across modes that make all transactions electronic and / or SMART and connects the DRT with other passenger transport modes
 3. Bus Prioritisation Infrastructure
 - Where DRT connects to scheduled services ensuring the network is able to provide an end-to-end reliable service and strong customer experience

2.11 Each individual local authority can also apply independently from SYMCA and there is no obligation to align schemes. However, development work is ongoing by local authorities, so details of potential bids are currently unavailable.

2.12 As noted above the areas of activity that the Board has a direct role in delivering is through its role overseeing the SYMCA Brownfield Housing Programme, but many of the round 1 and (to be submitted) Round 2 submissions/proposals are directly related to development, placemaking and growth. In particular, many of the proposals include providing new infrastructure and housing to support town and city centre regeneration

and repurposing, which are central ambitions of the SEP post Covid19. SYMCA and this Board will have a role in ensuring there is alignment between local proposals and strategic ambitions, and also ensuring alignment with the housing and investment decisions of the Board and SYMCA in support of growth and regeneration of places.

3. Options Considered and Recommended Proposal

This report is presented for information as requested by the Board. No options are identified for consideration.

4. Consultation on Proposal

The report is presented to the Board for information and discussion only

5. Timetable and Accountability for Implementing this Decision

The report is presented to the Board for information and discussion only.

6. Financial and Procurement Implications and Advice

There are no financial or procurement issues arising from this report

7. Legal Implications and Advice

There are no legal issues arising from this report.

8. Human Resources Implications and Advice

There are no human resources implications arising from this report.

9. Equality and Diversity Implications and Advice

There are no equality and diversity implications arising from this report.

10. Climate Change Implications and Advice

There are no climate change implications arising from this report.

11. Information and Communication Technology Implications and Advice

There are no IT implications arising because of this report.

12. Communications and Marketing Implications and Advice.

There are no direct communications or marketing implications arising from this report.

List of Appendices Included

None

Background Papers

None