

File note by email - Levelling up fund - round 1 feedback and crafting round 2

**From:** xxxxxxxxxxxx

**Sent:** Friday, January 21, 2022 4:48 PM

**To:** xxxxxxxxxxxx

**Cc:** xxxxxxxxxxxx

**Subject:** Levelling up fund - round 1 feedback and crafting round 2

Hi all,

had a really helpful and positive meeting with the LUF team earlier in the week, and following on from the round 1 bid not being successful. We spoke with [REDACTED] – cities & local growth area lead in BEIS/ devolution, and [REDACTED], deputy area lead. The headline that it was a very strong bid and we were not far from success – an achievement given tier 3 priority for York.

They were very impressed with the project proposals, our track record and the robustness of bid, and felt it was fundamentally a good approach, encouraging us to resubmit into round 2 with some work to deal with the specific issues highlighted (and respond to any fund changes). The technical assessment which they relayed was split into 'strategic fit', 'value for money' and 'deliverability', and we had very positive feedback in all three areas, especially in the strategic fit, alongside some pointers for areas to improve.

Round 2 is anticipated March-April time but no firm dates yet, guidance to be issued in advance (and BEIS may be permitted to meet us again to help shape bids), there may also be changes to the fund flowing through guidance, some from the change in Secretary of State (informally, may include a shift to less competitive bidding – allocation based). The levelling up white paper is also expected soon, alongside further detail on the UK shared prosperity fund, which [REDACTED] has offered to brief you on when appropriate.

Some key questions emerging for us around the emphasis of the bid (funded activity) and whether we may want to undertake some early work at risk on Parliament St to firm proposals up (if retaining that element) – see **highlights**. A summary is also attached of the 'long list' of projects we considered at round 1, for ease of reference. We can meet and have an early discussion when the guidance is issued, involving any additional attendees.

We also discussed the approach to MP support for any round 2 bid(s) – [REDACTED] was keen that we capitalise on the two bids (plus transport) available to us, and keep [REDACTED] in particular well briefed on our approach to ensure smooth process. We mentioned the Haxby Station opportunity, and talked about the nature of outer constituency largely precluding major regen proposals (though [REDACTED] could also offer priority support to an Inner proposal). Post meeting we talked about [REDACTED]

Technical feedback follows (*italics* are post discussion team comments):

### Strategic Fit

- + Strong on engagement approach and strategic alignment. Engagement on Castle Gateway particularly strong, though we could better articulate the impact of the engagement on shaping proposals.
- + Though not generally deprived area, assessors noted vacancy rates and ‘spiral of decline’ logic – *we could do more in a subsequent submission to articulate the broader hinterland served in terms of employment draw in target sectors, and deprivation levels therein – we played out this argument in terms of retail catchment (city centre users rather than employees) in the round 1 submission, so expand out, but would need some resource/ insight*
- + Good fit with policy
- Could do more to explain how the projects were linked – *now we have the adopted city centre vision it will assist in linking the projects – all part of a bigger picture of coordinated activity, perhaps also look to draw out some monetised additionality flowing from ‘in-combination’ interventions, we can also reshape project scope of round 2 submission if we felt necessary*
- General alignment to UK net zero standards was reasonable, but more detail on green approaches in the proposals would be helpful

### Value for Money

- + Assessed as strong, analysis consistent and compliant
- + Theory of change models good quality and robust, consistent with magenta book
- + Benefit analysis good and green book consistent, increasing our third party contributions will improve vfm, but should be

realistic. We hadn't missed any major benefits that successful schemes relied on.

- 0 Conversion of financial to economic costs was compliant. Optimism bias and mitigation approach was robust but reasoning for differential rates across projects could be expanded on
- Could improve the articulation of scale and significance of local issues in terms of vacancy, crime, employment etc, including regional and national comparisons – *we did look at comparisons as part of drafting round 1, but they were unfavourable to the bid (ie we were performing better) so would need to be careful in any resubmission to avoid undermining – more joined up regional approach could help?*

Deliverability (least strong of the sections/ criteria)

- + delivery plan generally strong – greater level of detail for castle/ eye over parliament street highlighted
- + Clear and consistent financials across the projects
- + strong track record demonstrated and excellent named individuals and skills/ experience. Governance approach strong. Outcomes of track record projects in terms of impact and successes could be improved
- + monitoring and evaluation approach robust
- + no subsidy control issues assumed, as nothing noted in feedback, but they will check up with assessors since we were quizzed post submission by their teams
- Fuller information on commercial and procurement processes could be given for some sub projects – **see above re parliament street**
- Risk register could be improved, with specific regard to health & safety, price increases, financial governance and funding availability (reduced/ withdrawn)
- Again, more detail on the rationale for differential contingency levels across projects would be good, and a clearer read across between the contingencies and the funding profile (risk allocation)

Thanks,

