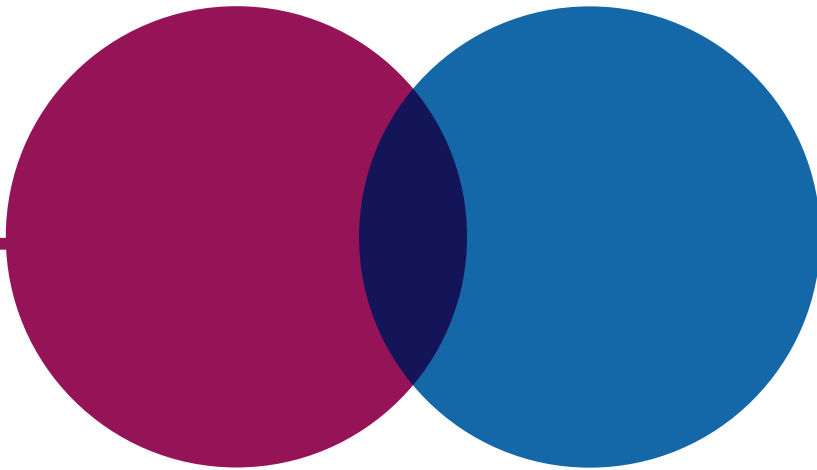




National Audit Office




REPORT

Levelling up funding to local government

Department for Levelling Up, Housing
& Communities (DLUHC)

SESSION 2023-24
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National Audit Office

Levelling up funding to local government

**Department for Levelling Up, Housing
& Communities (DLUHC)**

Report by the Comptroller and Auditor General

Ordered by the House of Commons
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National Audit Act 1983 for presentation to the House of
Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

13 November 2023

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Key facts

£10.6bn

total amount announced through the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund, to support the government's levelling-up agenda across the United Kingdom between 2020-21 and 2025-26

£9.5bn

the amount the Department for Levelling Up, Housing & Communities (DLUHC) has allocated to local places to be spent by 31 March 2026

£2bn

the amount DLUHC has given to local places so far across the three funds at 31 March 2023

£0.9bn

the amount spent by local places at 31 March 2023

Fund	Extent	Announced value (£bn)	Start year	To be spent by
Towns Fund – Future High Streets Fund	England only	1.0	2020-21	30 September 2024
Towns Fund – Town Deals	England only	2.2	2021-22	31 March 2026
Levelling Up Fund	United Kingdom	4.8	Round 1: 2021-22 Round 2: 2022-23 Round 3: To be confirmed	Round 1: 31 March 2024 Round 2: 31 March 2025 Round 3: To be confirmed
UK Shared Prosperity Fund	United Kingdom	2.6	2022-23	31 March 2025

December 2021 DLUHC published its strategy for evaluation of the Towns Fund. It published an overarching evaluation strategy in November 2022 and individual strategies for the Levelling Up Fund in March 2022 and the UK Shared Prosperity Fund in March 2023

July 2023 DLUHC published its *Simplifying the funding landscape for local authorities* which included several immediate actions to improve the delivery of existing local growth funds

834 bids submitted across Rounds 1 and 2 of the Levelling Up Fund; 216 bids were successful and 618 were rejected

64 the number of completed projects out of more than 1,300 across the Towns Fund and Levelling Up Fund by 31 March 2023

Summary

Introduction

1 ‘Levelling up’ is a government-wide approach to reduce geographical inequality in a broad range of economic and social measures across the UK. The Department for Levelling Up, Housing & Communities (DLUHC) leads on three significant funds, which government’s 2022 *Levelling Up* white paper identified as supporting the levelling-up agenda by providing investment into local places:

- The Towns Fund, consisting of the Town Deals and Future High Streets Fund programmes, which aims to “unleash the economic potential of towns and high streets in England”.
- The Levelling Up Fund, which focuses on “delivering local priorities that have a visible impact on people and communities across all parts of the UK”.
- The UK Shared Prosperity Fund, which aims to “increase life chances and build pride in place across the UK”.

Between them, these funds are worth up to £10.6 billion and aim to allocate £9.5 billion to local places to be spent by 31 March 2026. The Towns Fund is restricted to England while the Levelling Up Fund and UK Shared Prosperity Fund are UK-wide funds and involve several other government departments in aspects of their design and delivery.

Scope of the report

2 This report examines whether DLUHC’s three significant levelling-up funds are likely to deliver value for money. We have carried out our study at a relatively early stage in the lifecycles of the three funds so that we can identify lessons for securing value for money for the funds committed to date and inform decisions around future funding rounds. To reach our conclusions we considered whether:

- the three funds have clear aims and objectives and have been designed and allocated as part of a joined-up approach (Part One);
- the three funds have been distributed in line with their objectives and if they are delivering projects as planned (Part Two); and
- DLUHC has an effective approach for the evaluation of the three funds (Part Three).

Our fieldwork was completed between May and September 2023. To allow us to report consistent data across the three funds we used a cut-off date of 31 March 2023 for funding expenditure and project progress.

3 Our report focuses on DLUHC's delivery of the three funds rather than the full breadth of the government-wide approach to levelling up set out in the *Levelling Up* white paper. We describe the methods for allocating awards across the three funds but have not reviewed the allocation decisions resulting from these processes. We did not revisit the issues raised in our February 2022 *Supporting local economic growth* study around the design and approval of funds, except to consider what has happened in response to relevant recommendations.

Key findings

Design and distribution of the three funds

4 **DLUHC has a lead role in three significant funds to support local places, which between them total more than £10 billion.** The Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund form a key part of the government's levelling-up agenda to reduce geographic inequality by targeting a broad range of economic and social measures across the UK. DLUHC oversees the Towns Fund and the UK Shared Prosperity Fund, working with other departments as necessary. DLUHC and the Department for Transport (DfT) share accountability for the Levelling Up Fund. DLUHC leads on town centre, regeneration and culture projects while DfT takes the lead on transport projects. Alongside DLUHC and DfT, HM Treasury co-designed the bidding and assessment criteria for the Levelling Up Fund and all three departments were responsible for deciding where funding was allocated. The government describes the three funds as complementary and providing investment into local places to support economic growth. In most cases local authorities are the recipients of the funds. The Towns Fund and Levelling Up Fund were new funding streams, while the UK Shared Prosperity Fund was designed to succeed and improve upon, but not directly replace, the previous EU structural funds (paragraphs 1.2, 1.3 and 1.6, Figure 1 and Figure 2).

5 The three funds have overlapping objectives but were designed and announced at different times, such that local authorities could not align their plans to secure most value. The three funds, starting with the Towns Fund in 2019, were developed over a number of years and under successive secretaries of state. The funds have overlapping investment themes around regeneration, culture and transport but DLUHC allocated funds in different ways. Some funds were allocated by a competitive process after local authorities had submitted bids. This includes the Future High Streets Fund and Rounds 1 and 2 of the Levelling Up Fund. The Town Deals were offered to 101 selected towns based on several metrics and a final decision by ministers. The UK Shared Prosperity Fund was allocated to places based on a formula. The timing of DLUHC's funding announcements meant local authorities could not plan their bids across the funding streams to secure the most value. For example, the deadline for submitting Levelling Up Fund Round 1 bids was before the final confirmation of Town Deals offers. Local authorities also had to submit UK Shared Prosperity Fund investment plans before finding out if they were successful in the Levelling Up Fund Round 2. This meant local authorities did not know what funding they may receive from each fund, preventing effective planning. In October 2023 the Secretary of State for Levelling Up, Housing & Communities said further details of a third round of the Levelling Up Fund would be made available in advance of the Autumn Statement, which is due on 22 November 2023. Each of the funds operates differently across the UK nations with local places having varying amounts of time to spend their allocation for each fund (paragraphs 1.4, 1.8, 1.10, 1.11, Figure 2 and Figure 3).

6 DLUHC has allocated £9.5 billion from the three funds to local places across the UK, to be spent between 2020-21 and 2025-26. Allocations comprise:

Fund	Allocation
Towns Fund – Future High Streets Fund	£0.83 billion
Towns Fund – Town Deals	£2.35 billion
Levelling Up Fund – Rounds 1 and 2	£3.78 billion
	The remaining £1.0 billion is due to be allocated through a third round
UK Shared Prosperity Fund	£2.51 billion
	This includes £430 million ringfenced for Multiply, an adult numeracy project

This funding is supporting more than 1,300 individual projects under the Levelling Up Fund and Towns Fund while the UK Shared Prosperity Fund is supporting more than 3,000 projects. Local authorities and other bodies submitted 834 bids across both rounds of the Levelling Up Fund, the most recent of the competitive funds. Of these, 216 bids were successful with a value of £3.78 billion and 618, just under three-quarters, were rejected, with a value of £9.74 billion (paragraphs 1.9, 1.10, 2.2 and 3.11, Figure 3 and Figure 6).

7 DLUHC is taking positive steps to simplify the operation of its levelling-up funds. The *Levelling Up* white paper set out the government's commitment to publish a plan for simplifying the local growth funding landscape. In July 2023 DLUHC published its plan for simplifying funding to local authorities, which included several immediate actions including simplifying the process for local authorities to change their agreed plans and inviting 10 pathfinder local authorities to pilot a simplified funding delivery approach (paragraphs 1.16 and 1.17).

Progress delivering the projects

8 Delivery of projects across the three funds is behind schedule. Projects are happening at a time when there is pressure on public finances because of the impact of the COVID-19 pandemic, the energy and cost of living crisis and sudden interest rate rises. Against this backdrop, DLUHC has concluded it is behind where it would expect to be at this stage. DLUHC uses the progress reports from local authorities to understand the progress of the individual projects. The reports are showing slippage of projects across the Levelling Up Fund and Towns Fund. Keeping to its current spending deadlines requires local authorities and other organisations to deliver more than 1,300 projects on schedule across these two funds. DLUHC sought to fund 'shovel-ready' projects in both the Towns Fund and Levelling Up Fund, but local authorities and other organisations had completed 64 projects across these funds by 31 March 2023. At the same date, of the £2 billion given to local places, they had spent (paragraphs 2.2, 2.3 and 2.8, Figure 6 and Figure 7):

- £0.31 billion from the Town Deals, leaving £0.44 billion, or 59%, of the money released to them from DLUHC, still to be spent by 31 March 2026;
- £0.30 billion from the Future High Streets Fund, leaving £0.22 billion, or 43%, of the money released to them from DLUHC, still to be spent by 30 September 2024;
- £0.26 billion from the Levelling Up Fund, leaving £0.17 billion, or 39%, of the money released to them from DLUHC, still to be spent by 31 March 2024 (Round 1) and 31 March 2025 (Round 2); and
- at 31 March 2023 DLUHC had given the full first year allocation of the UK Shared Prosperity Fund to local authorities.

9 Local authorities' projects were held up due to delayed funding announcements

to local authorities. DLUHC made several funding announcements across the funds later than planned and many local authorities delayed starting work as a result. DLUHC announced the successful bidders for the Levelling Up Fund in October 2021 (Round 1) and January 2023 (Round 2), but it took longer than planned to finalise funding agreements and transfer funding to local authorities. The UK Shared Prosperity Fund was launched in April 2022. Local authorities had to submit investment plans by 1 August 2022, but DLUHC did not approve investment plans until December 2022, giving local authorities only three months to spend their 2022-23 allocation. DLUHC gave local authorities the flexibility to carry forward their unspent funding, subject to submitting a spending plan to DLUHC, but this has delayed their timescales. Local authorities told us they could not risk starting projects with no guarantee that funding would be released, meaning early enabling work such as arranging planning permission or compulsory purchase was delayed. This compresses the period in which funds can be spent (paragraphs 2.4 to 2.8).

10 DLUHC is aware that it needs to balance encouraging timely delivery against moving too fast and risking projects not delivering their intended impacts.

DLUHC has extended the deadline for the Future High Streets Fund by six months to 30 September 2024 and will allow, on an exceptional basis, spending to extend beyond the original deadlines for the Levelling Up Fund. For the other funds, it expects funds will be spent by the original deadlines. However, that looks unlikely given the risks to project delivery, and there is a risk that attempts to hold local authorities and other organisations to original deadlines could reduce the overall value for money of their projects. DLUHC told us that it continues to keep the deadlines for funds under review. Some of the key delivery problems which local authorities have faced are outside DLUHC's and local authorities' control, including rising costs, skills shortages and supply issues in the construction industry. As at March 2023, 50% of main construction contracts for Levelling Up Fund Round 1 projects, due by March 2024, were unsigned. This was also the case for 85% of Levelling Up Fund Round 2 projects, due by March 2025. DLUHC and local authorities will need to work together to unblock those projects which have not started and set realistic expectations for delivery to ensure that projects deliver all the intended benefits. Local authorities told us that pressures to deliver by existing deadlines could lead to projects being left incomplete or not started at all (paragraphs 2.4 to 2.12).

11 DLUHC's processes had caused delays for some projects, but it is now taking action to address these problems and further support local delivery. In spring 2023, DLUHC reviewed the delivery problems local authorities were facing across the Levelling Up Fund and Towns Fund. This review highlighted that the complex processes involved in securing approval from DLUHC to make changes to projects once they had started had caused further delays. DLUHC has since rolled out a revised project adjustment process to all local authorities to allow them to make changes to the scope and scale of their projects. In 10 places it is also running a simplification pilot enabling local authorities in receipt of multiple levelling-up funds to switch money between projects in the different funds to help delivery. DLUHC is also providing an additional £65 million to local authorities to support Levelling Up Fund projects. This will include direct grants, training and expert support. In summer 2023, as part of a package of support for local authorities, DLUHC launched a procurement process to appoint external experts to work with Levelling Up Fund recipients to help support delivery. It has also approached a small number of local authorities it considers may require the support of DLUHC finance, legal and commercial experts to help overcome barriers to delivery and will use this to learn and disseminate best practice to other local authorities (paragraphs 1.16, 1.17, 2.4, 2.7 and 2.8).

12 DLUHC has significantly improved its grant management processes, which were previously found to have weaknesses. In August 2021 a Government Internal Audit Agency (GIAA) audit found that DLUHC was not well placed to manage the anticipated increase in grant funding that would result from the Levelling Up Fund and UK Shared Prosperity Fund. In response, DLUHC improved its internal grant management by restructuring the directorate overseeing the funds, clarifying roles and responsibilities, and putting new assurance frameworks in place. DLUHC has also improved its data capabilities, including developing data dashboards to support monitoring and decision-making. A further GIAA audit assessment in March 2023 found the framework of governance, risk management and controls over grant management were rated as 'substantial', the highest rating, meaning they were adequate and effective. An Infrastructure and Projects Authority (IPA) review of the Levelling Up Fund in March 2023 also commented on the strength of governance but highlighted future challenges including managing delivery of existing rounds alongside the additional pressure of a further third round. DLUHC's plan for funding simplification also includes proposals to reduce the burden on local authorities by streamlining the grant-giving process and developing a set of principles to be followed across government (paragraphs 1.16 and 2.13).

Progress evaluating the three funds

13 DLUHC has developed its plans to improve its fund evaluation since we last reported on this subject in 2022. Our February 2022 report *Supporting local economic growth* highlighted that DLUHC had a poor understanding of what had worked well in its previous local growth programmes because it had not consistently evaluated them. DLUHC has since published its first overarching evaluation strategy, as well as specific plans for evaluating the Levelling Up Fund and UK Shared Prosperity Fund. Plans for the Towns Fund evaluation had already been published in 2021. DLUHC has allocated funds and increased the size of its internal teams to support these plans (paragraphs 3.2 to 3.5 and 3.15).

14 While the place-based nature of the three funds creates challenges for evaluation, DLUHC's early plans for evaluating the funds are a positive step.

DLUHC's overarching evaluation strategy highlights some specific challenges in evaluating place-based initiatives, which the three funds also face. These include the difficulty of identifying meaningful comparator places and attributing impacts to specific interventions where places may receive multiple or overlapping funding streams. This is further complicated by the highly devolved design of the funds, which creates many different projects for evaluation. DLUHC is proposing a range of quantitative approaches across its evaluations to tackle these challenges. Approaches include plans for randomised control trials on elements of the UK Shared Prosperity Fund, which will be the first time DLUHC has used this technique to evaluate local economic growth. DLUHC has commissioned feasibility studies on each of the funds to provide external advice on the practicality of its plans based on the data that are likely to be available. DLUHC published the findings of the Levelling Up Fund feasibility study in June 2023, received feasibility findings for one element of the UK Shared Prosperity Fund in September 2023, and expects to receive the Towns Fund feasibility findings in November 2023. It has also put in place a range of governance mechanisms enhancing external scrutiny of its plans (paragraphs 3.6 to 3.8, and 3.10 to 3.11).

15 DLUHC has decided to commission and deliver much of the evaluation work centrally, to improve its quality and reduce the burden on local authorities.

DLUHC initially envisaged that funded places would undertake local evaluations. However, in its simplification plans published in July 2023 DLUHC said that requiring local-led evaluations put a high burden on local authorities for the insight produced. It noted that central evaluations have better data access and capability to deliver quality place-level insights. Although DLUHC has not changed the mandatory requirement for local evaluation for the Levelling Up Fund Round 1 projects, as these are already in progress, local evaluations on individual projects are now encouraged but not required for the other funds. These local evaluations will support local authorities' own learning and are in addition to the central evaluations (paragraph 3.9).

16 DLUHC's plans for sharing insights from its evaluation activity, that local authorities and local policy-makers may find helpful, are not yet fully developed.

Our 2021 report *Evaluating government spending* found one of the most common barriers to the use of evaluation is a lack of understanding of evaluation evidence by policy-makers. DLUHC has decided to evaluate the funds centrally, and it has taken actions to share learning. However, its plans do not explain fully how it will provide local decision-makers with examples of what works which they may find helpful to inform their own decision making. Actions include DLUHC's area teams, which provide support for local places, and a conference for Towns Fund participants in June 2023 that included sessions on learning from delivery to date. The What Works Centre for Local Growth will play a role in disseminating findings to local places and local decision-makers. DLUHC is considering other learning models including 'buddying' between local authorities for current projects and setting up a central database to capture learning on what works (paragraphs 3.12 and 3.13).

17 DLUHC will use interim evaluation findings to inform short-term future spending decisions and will need to bid for further funding when longer-term impacts can be evaluated.

The impacts from the funds DLUHC plans to evaluate will take time to appear, which means that there are limitations to what impact evaluation evidence will be available in the short term. The earliest external evaluations will be an evaluation update report relating to the Towns Fund, which DLUHC currently expects in spring 2024, alongside interim findings relating to elements of the UK Shared Prosperity Fund. DLUHC has not yet commissioned an impact evaluation of the Levelling Up Fund because the full set of benefits will not be apparent until after projects have been completed. This creates a risk that there will be limitations in the evidence available to inform spending decisions around the future of local growth funds beyond spring 2025. As such, it is looking to use these interim findings and insights from other sources such as internal process reviews and analysis of monitoring data. While DLUHC anticipates that benefits will continue to arise beyond spring 2026, it has not yet been able to contract any evaluations beyond that point because of DLUHC's internal procurement rules and the normal government Spending Review restrictions. Longer-term plans therefore remain uncertain (paragraphs 3.14 to 3.16, Figure 8 and Figure 9).

Conclusion on value for money

18 In 2021 DLUHC had a poor understanding of what had worked in its previous local growth programmes and was not well placed to manage the increase in grant-making required by its new £4.8 billion Levelling Up Fund and £2.6 billion UK Shared Prosperity Fund. However, more recently the GIAA has found that DLUHC has improved its oversight of its major levelling-up funds. DLUHC was slow to agree funding across the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund. Towns Fund and Levelling Up Fund projects are experiencing delays, which has led to many projects needing to be adjusted or rescope. Projects are being delivered in the context of rising costs and pressures on public finances. Reflecting this context, DLUHC has taken steps to understand local authorities' delivery challenges and is piloting a more flexible approach to move money between Towns Fund and Levelling Up Fund projects. However, at this stage it appears unlikely that local authorities will be able to complete projects by the original deadlines. The ability of projects to deliver all their intended benefits will rely on DLUHC and local authorities working together to unblock those projects which are delayed or have not started and set realistic expectations for delivery.

19 DLUHC has made significant improvements in its approach to evaluation, which puts it in a better position to understand future impacts delivered by these funds. DLUHC has ambitious plans for the evaluation of each fund, has sought external input and is undertaking feasibility work before committing to final approaches. Most of this work is still to come and further funding will be needed to understand the effect of the projects over the longer term. Equally important is that any high-quality learning from this evaluation work is shared with local decision-makers to support better value for money in future economic growth approaches. To secure value for money and maximise the desired benefits from these funds DLUHC should review expectations for what outcomes can be delivered by when and support local authorities and their partners to deliver the long-term benefits for people in their local places.

Recommendations

Current funds

- a** Given the delays to projects across the Levelling Up Fund and Towns Fund, DLUHC should set out what further action it is going to take if projects cannot be completed within the existing funding deadlines. This could include resetting expectations for what and when these funds will deliver, to take account of rising cost pressures driven by factors including inflation and capacity shortages.

Application to current and future funds

- b** DLUHC should swiftly build on the simplification pathfinder pilots and embed the learning into any further rounds of the Levelling Up Fund and similar future funds.
- c** DLUHC should further use the learning from the process and impact evaluation to build an evidence base of what works to stimulate local economies.
- d** DLUHC should work with HM Treasury to ensure that funds for impact evaluation are secured beyond the current spending cycle and explore whether funding deadlines for the current funds can be extended to protect value for money.
- e** DLUHC should develop its plans to disseminate learning and insight from its evaluations in a timely way and engage with local authorities to maximise understanding of what works prior to waiting for final evaluation reports.

Part One

The levelling-up funds

1.1 This part of the report sets out:

- an introduction to the Towns Fund (TF), Levelling Up Fund (LUF) and UK Shared Prosperity Fund (UKSPF);
- allocations from the three funds;
- cross-government working; and
- details of government's commitment to simplify funding to local authorities.

The Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund

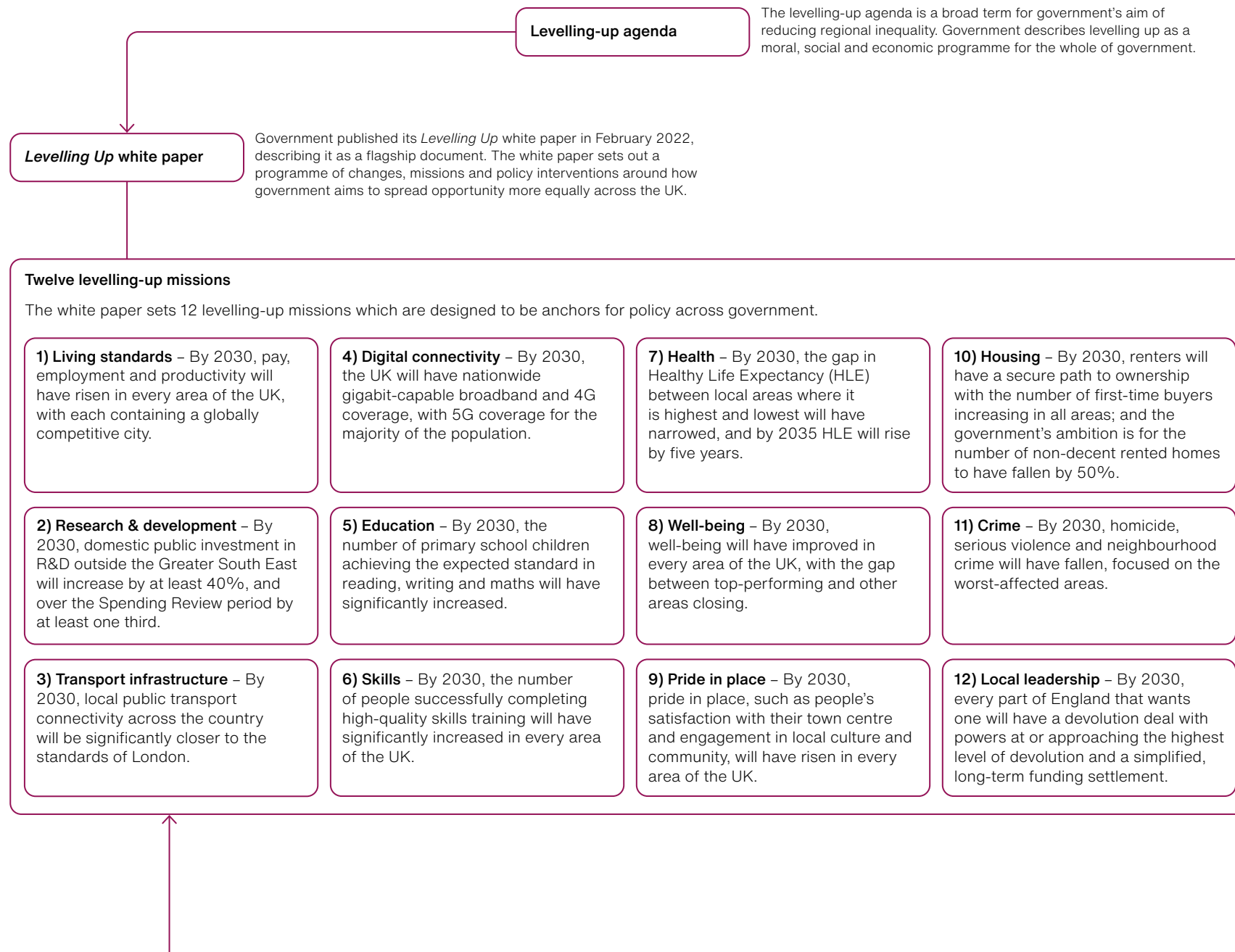
1.2 The UK government published its *Levelling Up* white paper in February 2022.¹ The white paper highlights geographical inequality within the UK and sets out 12 missions to reduce it, supported by a wide range of programmes across government (**Figure 1** on pages 16 and 17).

1.3 The white paper identifies the TF, LUF and UKSPF as complementary funds available to local leaders to support local economic growth and support the delivery of the levelling-up missions. The funds provide investment into local places alongside other interventions on offer. While the TF and LUF are new funding streams, the UKSPF was designed to succeed and improve upon the previous EU structural funds but was not meant to be a direct replacement of these funds.

¹ HM Government, *Levelling Up the United Kingdom*, February 2022.

Figure 1
The levelling-up agenda

The Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund form part of the levelling-up agenda by supporting the delivery of the 12 missions



Funds supporting levelling up
The Towns Fund, Levelling Up Fund and the UK Shared Prosperity Fund are three funds named in the *Levelling Up* white paper which support the delivery of the 12 missions.

Towns Fund (TF)
Example of how it supports the missions:
The Towns Fund is named as part of the policy programme supporting the pride in place mission as it regenerates towns and high streets and unleashes their economic potential.

Levelling Up Fund (LUF)
Example of how it supports the missions:
In the white paper the LUF is named as part of the policy programme supporting the pride in place mission as it invests in capital infrastructure that revitalises town centres and retains community assets.

UK Shared Prosperity Fund (UKSPF)
Example of how it supports the missions:
In the white paper the UKSPF is named as part of the policy programme supporting the skills mission as adults across the UK will benefit from the Multiply numeracy programme, which offers support for people to improve their numeracy skills.

Other funds
The white paper sets out many different programmes, schemes and funds which feed into achieving the levelling-up missions. The TF, LUF and UKSPF are part of the government's broader offer to level up.

Source: National Audit Office analysis of HM Government, *Levelling Up the United Kingdom*, 2022 and the Department for Levelling Up, Housing & Communities published prospectuses

1.4 The TF, LUF and the UKSPF have overlapping objectives but operate in different ways across the UK nations (**Figure 2**). The funds were developed over a number of years and under successive secretaries of state. The spending deadlines for each fund means places receiving the funds have varying amounts of time to spend their allocation for each fund (**Figure 3** on pages 20 and 21).

Figure 2

The design and objectives of the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund

The three funds have overlapping investment themes but operate differently

Overview	Investment themes	Fund operation	Fund operation across the devolved nations
Towns Fund			
Future High Streets Fund			
Launched in December 2018 providing up to £1.0 billion. The Department for Levelling Up, Housing & Communities (DLUHC) is accountable.	Physical infrastructure, land acquisition for housing and public realm, transport access and flows, change in use of buildings, and high street adaptation.	A competitive fund split into two stages: expressions of interest and full business case. Open to single- and lower-tier authorities to bid for up to £25 million. Authorities reaching the second stage receive capacity funding to support their business case.	England only.
Town Deals			
Announced in July 2019 providing up to £2.2 billion. DLUHC is accountable.	Urban regeneration, planning and land use, skills and enterprise infrastructure, connectivity.	101 towns selected to develop a Town Deal. Single- and lower-tier authorities in the selected town's area produce a Town Investment Plan for up to £25 million. Government agrees a Town Deal depending on the quality of investment plan. Authorities receive capacity funding to support investment plan development.	England only.
Levelling Up Fund			
Announced in November 2020 providing up to £4.8 billion. DLUHC and the Department for Transport are jointly accountable. Split into three rounds.	Transport, town centre regeneration, and culture.	Rounds 1 and 2 are competitive funds open to all local authorities (to district council level) to bid for up to £20 million of funding (up to £50 million for some transport and culture bids). Places with the most significant need in England will be targeted. Some English authorities receive capacity funding to support bid development.	UK-wide fund. Delivered to local authorities who bid successfully in Wales and Scotland. Places with the most significant need in Wales and Scotland will be targeted for funding. In Northern Ireland, bids can be made by councils, businesses and the Northern Ireland Executive. All authorities in Scotland, Wales and Northern Ireland receive capacity funding to support bid development.

Figure 2 *continued*

The design and objectives of the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund

Overview	Investment themes	Fund operation	Fund operation across the devolved nations
UK Shared Prosperity Fund			
Launched in April 2022 as the successor to the Regional Development Fund and the European Social Fund, providing up to £2.6 billion between 2022-23 and 2024-25. DLUHC is accountable. The Department for Education leads on an adult numeracy element of the fund Multiply in England.	Community and place, supporting local business, and people and skills.	Areas receive an allocation via a funding formula. Includes up to £0.56 billion for Multiply. In England combined and unitary authorities receive core and Multiply funding. In two-tier areas core UKSPF goes to lower-tier authorities and Multiply to upper-tier authorities.	UK-wide fund. Delivered to local areas in Wales through four regional strategic geographies and in Scotland through local authorities. The UK government has oversight in Northern Ireland, and funding goes straight to project deliverers. DLUHC lead on Multiply delivery in Scotland, Wales and Northern Ireland.

Note

1 In July 2019 government announced £3.6 billion for the Towns Fund which included funding for the Future High Streets Fund and Town Deals. Of the announced £3.6 billion, £1.0 billion was for the Future High Streets Fund, £300 million was redirected to the Levelling Up Fund and £100 million was redirected to Freeports, leaving £2.2 billion for Town Deals.

Source: National Audit Office analysis of the Department for Levelling Up, Housing & Communities published fund prospectuses and documents

1.5 Each of the three funds has been distributed to different local bodies and operates at different geographic levels in England, Northern Ireland, Scotland and Wales, adding to the complexity of the landscape (**Figure 4** on pages 22 and 23).

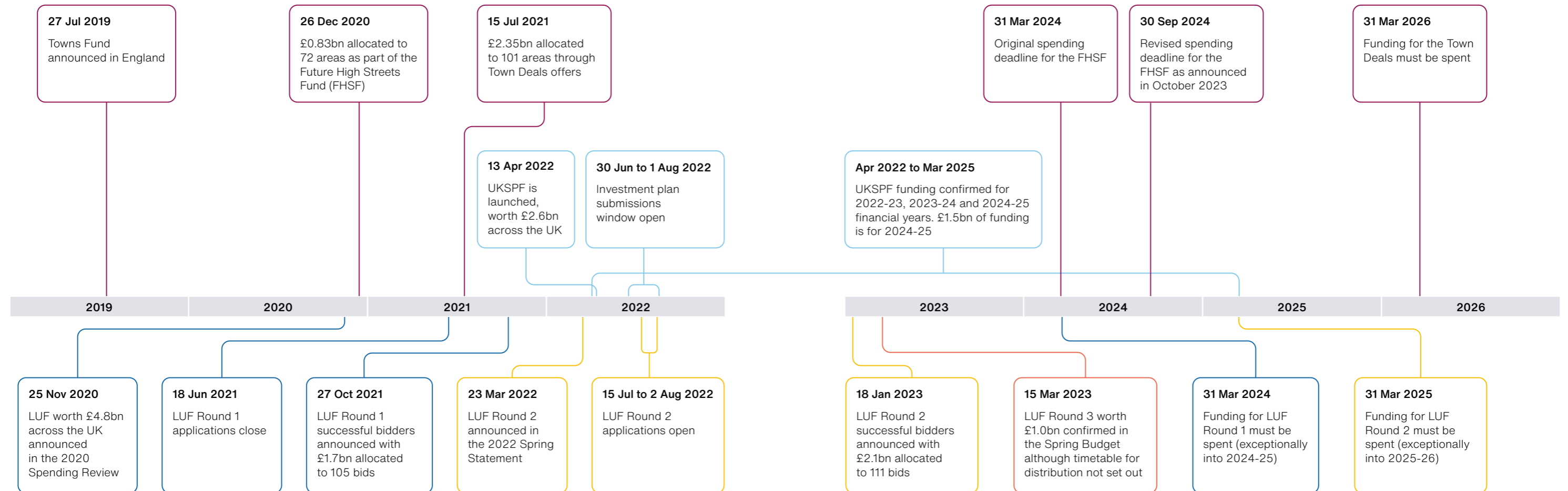
Working across government

1.6 The funds require cross-government working. The Department for Levelling Up, Housing & Communities (DLUHC) oversees the UKSPF, working with other departments as necessary. DLUHC and the Department for Transport (DfT) share accountability for the LUF. DLUHC leads on town centre, regeneration and culture projects while DfT takes the lead on transport projects. Alongside DLUHC and DfT, HM Treasury co-designed the bidding and assessment criteria for the LUF and all three departments were responsible for deciding where funding was allocated. HM Treasury has oversight on spending and signs off changes to business cases for the LUF but is not accountable for individual spending decisions. DLUHC is accountable for the overall implementation of the UKSPF, and the adult numeracy initiative called Multiply in Scotland, Wales and Northern Ireland, and works with the Department for Education (DfE), which leads on Multiply in England.² HM Treasury was involved in designing the UKSPF, including the decision to fund Multiply as part of the UKSPF.

2 Multiply is a programme delivered as part of the UKSPF’s people and skills investment priority, focusing specifically on adult numeracy. It includes up to £270 million funding in England and up to £160 million funding in Scotland, Wales and Northern Ireland. It is for interventions that boost people’s ability to use maths in their daily life, at home and work, and enables adults to achieve formal qualifications. Additionally, a portion of the UKSPF is centrally retained.

Figure 3
Timescales for the Towns Fund, Levelling Up Fund and the UK Shared Prosperity Fund

The three funds were announced at different times and run across different timeframes



- The Towns Fund (TF)
- The UK Shared Prosperity Fund (UKSPF)
- The Levelling Up Fund (LUF)
- The Levelling Up Fund Round 2
- The Levelling Up Fund Round 3

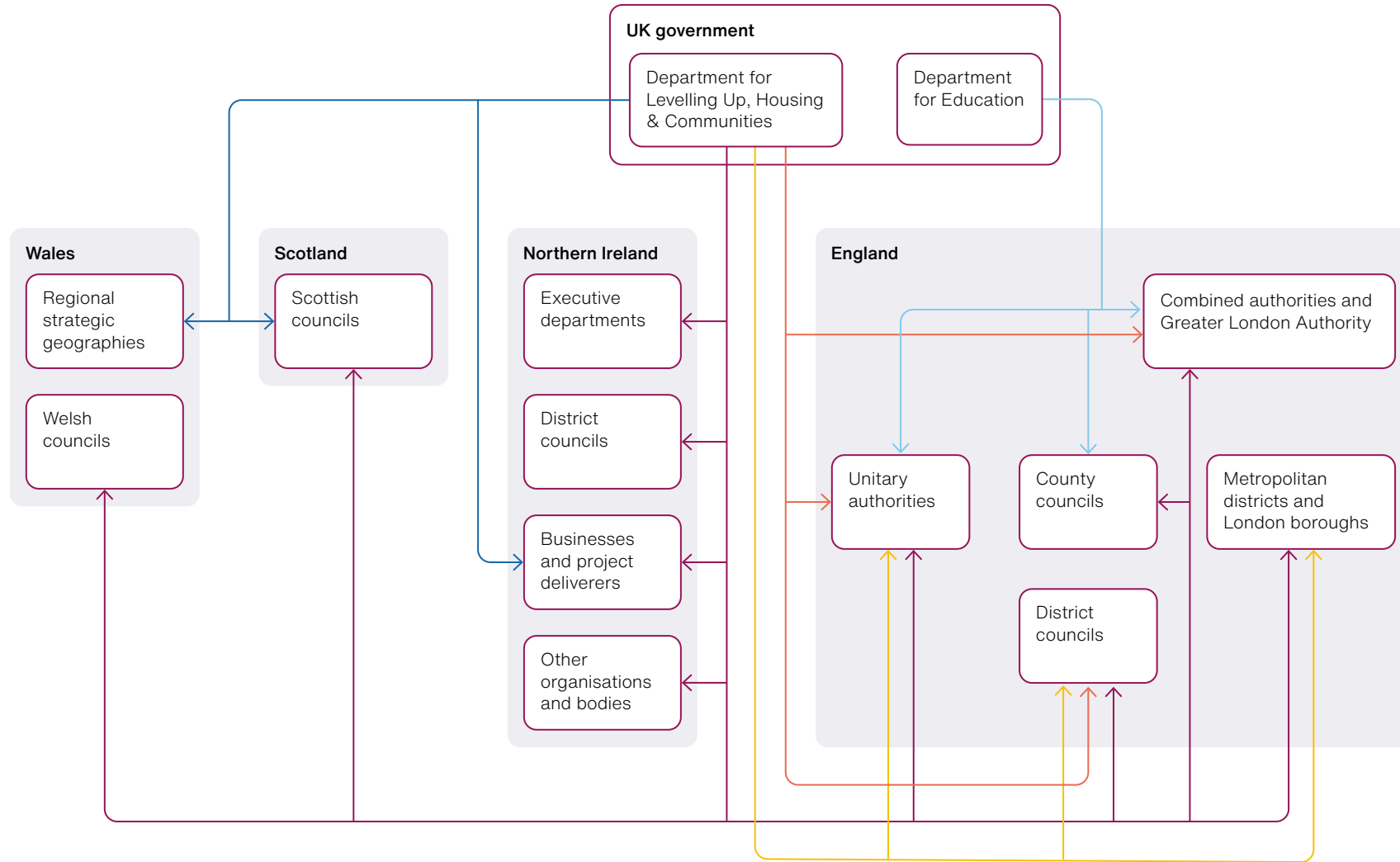
Note
1 The Future High Streets Fund was originally announced in October 2018, worth £675 million. Government's announcement of the Towns Fund included an extra £325 million for the Future High Streets Fund, taking its total up to £1.0 billion, of which £0.83 billion has been allocated.

Source: National Audit Office analysis of the Department for Levelling Up, Housing & Communities published prospectuses and documents published by government

Figure 4

Distribution of funds to local places for the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund

The three funds are available to different types of local authorities and some local authorities could receive more than one fund



- Levelling Up Fund
- Towns Fund: Town Deals and Future High Streets Fund
- UK Shared Prosperity Fund: Multiply
- UK Shared Prosperity Fund: Core
- UK Shared Prosperity Fund: Core and Multiply

Figure 4 *continued*

Distribution of funds to local places for the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund

Notes

- 1 A small amount of the UK Shared Prosperity Fund is going to district councils in Northern Ireland to enhance community green spaces.
- 2 The Department for Transport funds transport projects from the Levelling Up Fund.
- 3 In England, where county councils and unitary authorities sit in a combined authority area the combined authority receives the Multiply funding.
- 4 In England, county councils with transport powers, combined authorities, mayoral combined authorities and the Greater London Authority are eligible to submit one transport bid for the Levelling Up Fund.
- 5 In Scotland, councils were encouraged to pool their UK Shared Prosperity Fund funding together with other councils in their regional economic partnership.

Source: National Audit Office analysis of the Department for Levelling Up, Housing & Communities published prospectuses; documents published by government; and interviews with government departments

1.7 DLUHC works with other government departments where their priorities overlap. For example, the Department for Culture, Media & Sport (DCMS) supported the assessment of culture and heritage bids for LUF, inputting into decision-making and supporting delivery of successful bids through its arm's-length bodies. DLUHC seeks advice from relevant government departments on relevant UKSPF priorities, including for example from the Department for Work & Pensions about the people and skills priority of the UKSPF.

Allocating the three funds

1.8 DLUHC considered factors such as need for investment based on the aim of the fund, geographical spread and how easily projects could be delivered. Following the creation of shortlists, ministers made the final decisions on allocating the Town Deals (TDs), Future High Streets Fund (FHSF) and LUF. The UKSPF used a formula to allocate the fund between the four UK nations based on the amount of EU structural funding they previously received. DLUHC's own analysis found the competitive bidding process for LUF was more demanding than other applications for government funding.

1.9 Across both rounds of the LUF, 834 bids were submitted. Of these, 216 bids were successful with a value of £3.78 billion and 618, just under three-quarters, were rejected, with a value of £9.74 billion. DLUHC assessed bids by characteristics of place categories, themes and geographic distribution. By value, 59% was awarded to places in category one, those places deemed most in need by DLUHC's measures; 20% to category two; and 5% to category three, those least in need. The remaining 16% was awarded to English county councils and combined authorities (13%) and Northern Ireland (3%), which were not given a category. Regeneration was the most common theme, covering more than 40% of both single- and dual-themed projects (**Figure 5** overleaf). Some of the local authorities we spoke to said that even though they were not successful in their bids it had helped them consider how to progress their plans in other ways.

Figure 5

Levelling Up Fund awards by fund theme

Regeneration projects account for more than 40% of the £3,782 million Levelling Up Fund awards

Levelling Up Fund theme	Value of successful bids (£mn)	Proportion of successful bids by value (%)
Round 1		
Regeneration and town centre	796	21
Transport	456	12
Cultural	441	12
Round 2		
Regeneration and town centre	760	20
Transport	644	17
Cultural	548	14
Combined regeneration and cultural	81	2
Combined transport and regeneration	39	1
Combined transport and cultural	15	<1
Total	3,782	100

Notes

- 1 Numbers do not sum due to rounding.
- 2 Bids in Round 1 were only categorised as regeneration and town centre, transport or cultural themes, whereas bids in Round 2 could additionally be categorised as a joint theme.

Source: National Audit Office analysis of documents supplied by the Department for Levelling Up, Housing & Communities (DLUHC) and documents published by DLUHC

1.10 DLUHC has so far allocated £9.5 billion to local places out of the £10.6 billion available across the three funds.³ Allocations comprised:

- £3.18 billion in total through the TF, representing £831 million for the FHSF and £2.35 billion for TDs;
- £3.78 billion through the first two rounds of the LUF; and
- £2.51 billion through the UKSPF, including up to £430 million ringfenced for the Multiply adult numeracy project.

³ The £10.6 billion includes the proposed LUF Round 3 and a centrally retained portion for UKSPF.

In the Spring Budget 2023 DLUHC also announced a further £1 billion for a third LUF round in 2023. In October 2023 the Secretary of State for Levelling Up, Housing and Communities said further details can be expected just in advance of the 2023 Autumn Statement. The timing of funding announcements means that in some cases local places did not know what funding they had secured when planning for the next fund. For example, places had to submit UKSPF investment plans before finding out if they were successful in the LUF Round 2, and the deadline for submitting LUF Round 1 bids was before the final confirmation of TD offers. The timeline of funding announcements limited how much investment plans and bids could focus on joining up opportunities between the funds.

1.11 The TDs and LUF are discrete programmes, and the design of the funds did not allow places to plan their bids to build on an earlier funding award. While their prospectuses state that places should consider the funds as complementary to other funding streams, their design and project focuses meant that in practice local places had no guarantee they would receive funds in another funding round. For example, Causeway Coast and Glens Council in Northern Ireland was the only local authority to receive funding in both Rounds 1 and 2 of the LUF. The UKSPF, as an allocation, meant local authorities knew what funding they would receive, and was designed to enable local authorities to achieve synergies between UKSPF funding and projects funded under other programmes.

1.12 DLUHC provided more than £21 million capacity funding to support local authorities to develop bids for the LUF Rounds 1 and 2. DLUHC provided £125,000 to local authorities in Scotland, Wales and Northern Ireland. In England, local authorities in category one of the index of priority places for Round 1 and those local authorities that moved into category one in Round 2 also received capacity funding of £125,000. DLUHC paid the initial capacity funding after the June 2021 deadline for submitting bids for Round 1 and said the funding was to support development of bids for later rounds of the LUF. DLUHC will include an evaluation of the capacity funding in the LUF process evaluation, but DLUHC does not currently know if or how the money supported local places to bid for funds. We heard from some local authorities we spoke to that the capacity funding was used to buy in external consultancy support, while existing staff time and resources were used to compile bids.

1.13 The projects the LUF is funding are spread across the UK and vary in size from £800,000 to £50 million. Projects funded by the TF are spread across England and vary in size. TDs investments range from £12.3 million to £62.6 million and FHSF projects range from £1.1 million to £25 million. In England 33 local authorities contain towns benefiting from TD and FHSF funding. See Appendix Two for allocation maps.

1.14 Ministers decided not to award funding from LUF Round 2 bids to any local authority in England, Scotland and Wales that had already received money in Round 1. This decision was made during the assessment process. As such, it was not communicated in advance and 55 local authorities who had received funding in Round 1 had invested resources in submitting bids for Round 2: In August 2022, 309 local authorities submitted bids for Round 2 of the LUF.⁴ On 23 January 2023 the Levelling Up, Housing & Communities Select Committee was told ministers had decided not to award any funding to local authorities that were successful in Round 1. This meant that Round 1 projects could not be built on or expanded. Many local authorities have not received funding from more than one of these funds: just 7% of single- and lower-tier authorities in England received funding from all three of the LUF (Round 1 or 2), TD and FHSF, and 17% received funding from two funds.

1.15 Since the launch of these funds, government has announced further funding streams to support levelling up. The Chancellor of the Exchequer announced further measures in the 2023 Spring Budget including Levelling-Up Partnerships, worth £400 million between 2023-24 and 2024-25, to provide bespoke, place-based regeneration in 20 areas in England most in need of levelling up. The Chancellor also announced £211 million for 16 regeneration projects and £58 million for three capital projects in the North West which narrowly missed out on LUF Round 2 funding. The Budget took DLUHC's overall levelling-up funding to more than £11 billion, which includes other existing funds such as the Community Ownership Fund.⁵ In October 2023 the Prime Minister announced a new "long term plan for towns". The plan promised £1.1 billion of investment into 55 towns across the UK with each town receiving £20 million over a 10-year period.⁶

4 The 309 local authorities include combined authorities and the Greater London Authority. In total 529 bids were submitted for Round 2 of the LUF. Some local authorities bid more than once and some bids were made by companies and other organisations.

5 The Community Ownership Fund is a UK-wide fund of more than £150 million in funding to support community ownership of local assets.

6 HM Government, *Our long-term plan for towns*, October 2023. Available at: www.gov.uk/government/publications/our-long-term-plan-for-towns

Funding simplification

1.16 The *Levelling Up* white paper set out a commitment to publish a plan for simplifying the local growth funding landscape. DLUHC published *Simplifying the funding landscape for local authorities* in July 2023.⁷ DLUHC's plan is built on the principle that simplification, flexibility and working in partnership will have positive impacts, but it is clear that there is no one-size-fits-all approach to what works and so it will continue to vary its approach based on the funds and local places' characteristics. It included immediate plans to simplify the delivery of existing local economic growth funding from DLUHC to local authorities, including allowing authorities to make changes within individual programmes up to a threshold of a 30% change to agreed project outputs and outcomes or changes to project timetables with up to 30% flexibility to move spending between financial years without departmental approval.⁸ DLUHC will also remove requirements for places to conduct locally led evaluations, in most situations. The simplification plan outlines future improvements including a funding simplification approach to be adopted across government in 2024. This approach will aim to achieve better value for money by promoting delivery of new investments through existing funding programmes, selecting distribution methodologies that best achieve fund objectives, considering local authority feedback, and aligning data monitoring requirements to existing ones where possible.

1.17 In July 2023 the government invited 10 pathfinder local authorities to pilot a simplified funding delivery approach as one of the measures to deliver immediate improvements to its management of funds.⁹ The authorities were selected because they received funding from the TDs, FHSF and DLUHC's part of the first round of the LUF. These local authorities will have greater ability to make decisions about moving funding between projects in their funding portfolio. The government will carry out an evaluation centrally using data from the pathfinders to compare with places that are not part of the pilot. DLUHC will use this evaluation to help to understand the impact of a simplified funding model on delivery across a portfolio, including how spending flexibility can help local authorities respond to changing economic conditions.

⁷ HM Government, *Simplifying the funding landscape for local authorities*, July 2023 (viewed on 11 August 2023). Available at: www.gov.uk/government/publications/simplifying-the-funding-landscape-for-local-authorities/simplifying-the-funding-landscape-for-local-authorities

⁸ For example, reducing the amount of new open space or length of new cycle path provided or swapping from providing business support to supporting job-seekers.

⁹ The 10 pathfinder local authorities are: Bolton Metropolitan Borough Council, Calderdale Metropolitan Borough Council, City of Wolverhampton Council, Lewes District Council, Nuneaton and Bedworth Borough Council, Rotherham Metropolitan Borough Council, Sheffield City Council, Stockton-on-Tees Borough Council, Thanet District Council, Wirral Metropolitan Borough Council.

Part Two

Progress delivering projects

2.1 This part of the report sets out:

- the progress made with delivering projects funded by the Towns Fund (TF), Levelling Up Fund (LUF), and UK Shared Prosperity Fund (UKSPF); and
- the Department for Levelling Up, Housing & Communities' (DLUHC's) monitoring and oversight.

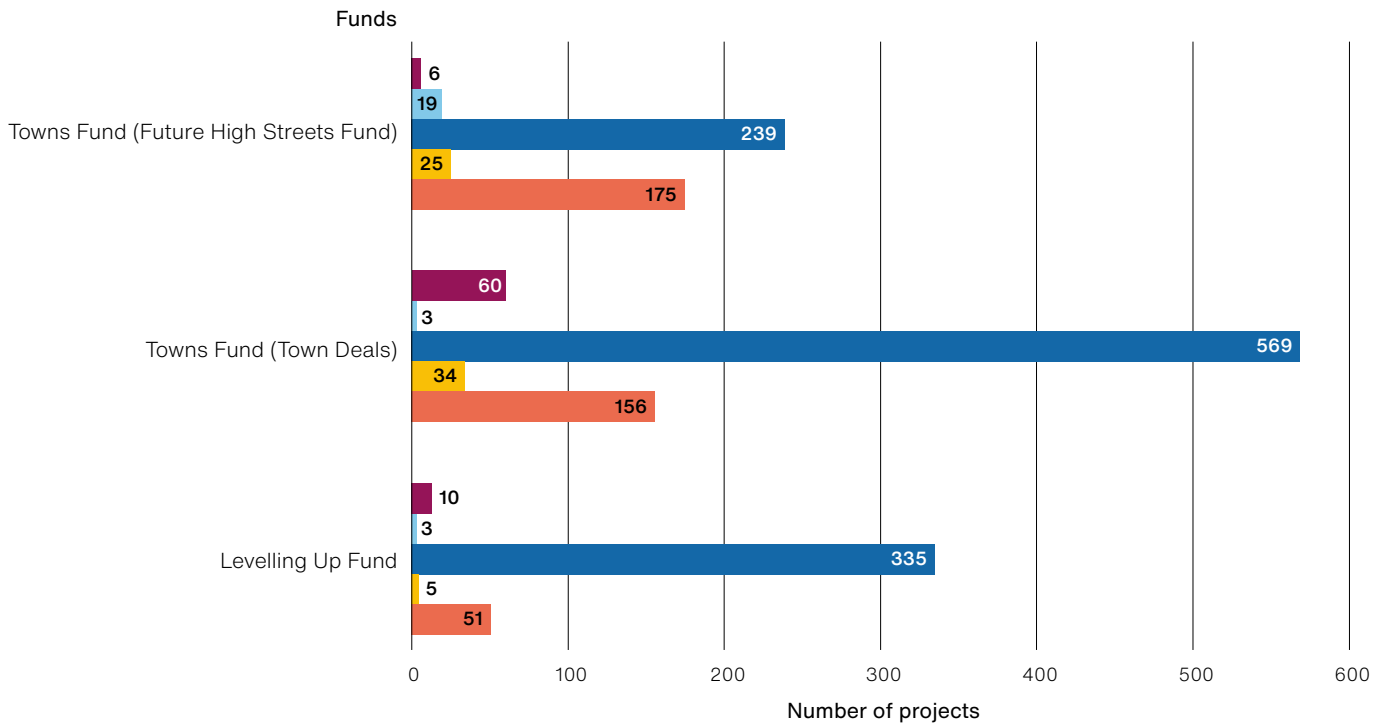
Project progress

2.2 Local authorities have not completed TF and LUF projects as quickly as DLUHC had anticipated. For both funds, money was awarded for projects to improve local infrastructure, with an emphasis on 'shovel-ready' projects. However, this has not translated into quick delivery on the ground. Project progress is behind where DLUHC expected it to be at this stage for the LUF and both elements of the TF: the Future High Streets Fund (FHSF) and the Town Deals (TDs). The FHSF, TDs and LUF all had projects that were yet to start or were paused as at 31 March 2023, while 64 out of a total of more than 1,300 planned projects had been completed (**Figure 6**).

Figure 6

The status of Towns Fund and Levelling Up Fund projects as at 31 March 2023

Local places have completed 64 out of more than 1,300 projects across the Towns Fund and the Levelling Up Fund



- Not started
- Paused
- Under way
- Completed
- Expected project completions by 31 March 2024

Notes

- 1 Data do not include those projects where a return was not submitted to the Department for Levelling Up, Housing & Communities. These comprise one project for the Future High Streets Fund (FHSF), 21 for the Town Deals (TDs) and 23 for the Levelling Up Fund (LUF).
- 2 Expected project completions indicates the total number of projects expected to be complete across all years up to 31 March 2024.
- 3 In total there are 290 projects for the FHSF, 687 for the TDs and 376 for the LUF.

Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities data

2.3 For all three funds, DLUHC has not been able to distribute the money to local authorities as quickly as it had planned, as local authorities are not spending money in line with DLUHC's expectations. By 31 March 2023 DLUHC had given £2 billion to local places across the three funds including the full first year allocation of the UKSPF. Of this, local places had spent £606 million from the TF, £261 million from the LUF and £81 million from the UKSPF by 31 March 2023.¹⁰ The FHSF is the furthest advanced in terms of expenditure, but by March 2023 local authorities had still only spent 36% of the allocated funding (**Figure 7**). Significant balances remain to be spent before the funds reach their respective spending deadlines:

- FHSF: £535 million remains to be spent by 30 September 2024.
- TDs: £2 billion remains to be spent by 31 March 2026.
- LUF: £3.5 billion remains to be spent by 31 March 2025 (£2.1 billion of which represents funding for Round 2 which was announced in January 2023).
- UKSPF: £2.4 billion remains to be spent by 31 March 2025 (this includes funding for Multiply, which is managed by the Department for Education in England).

Reasons for project delays

2.4 Projects are being delivered in the context of pressures on public finances and wider economic factors driven by the impact of the COVID-19 pandemic, the energy and cost of living crisis and sudden interest rate rises. Against this backdrop there are a number of reasons for the delays to project delivery, some of which are fully within DLUHC's or local authorities' control and some of which are not. DLUHC's own analysis, carried out in spring 2023 in consultation with local authorities, has identified a range of problems affecting local delivery.

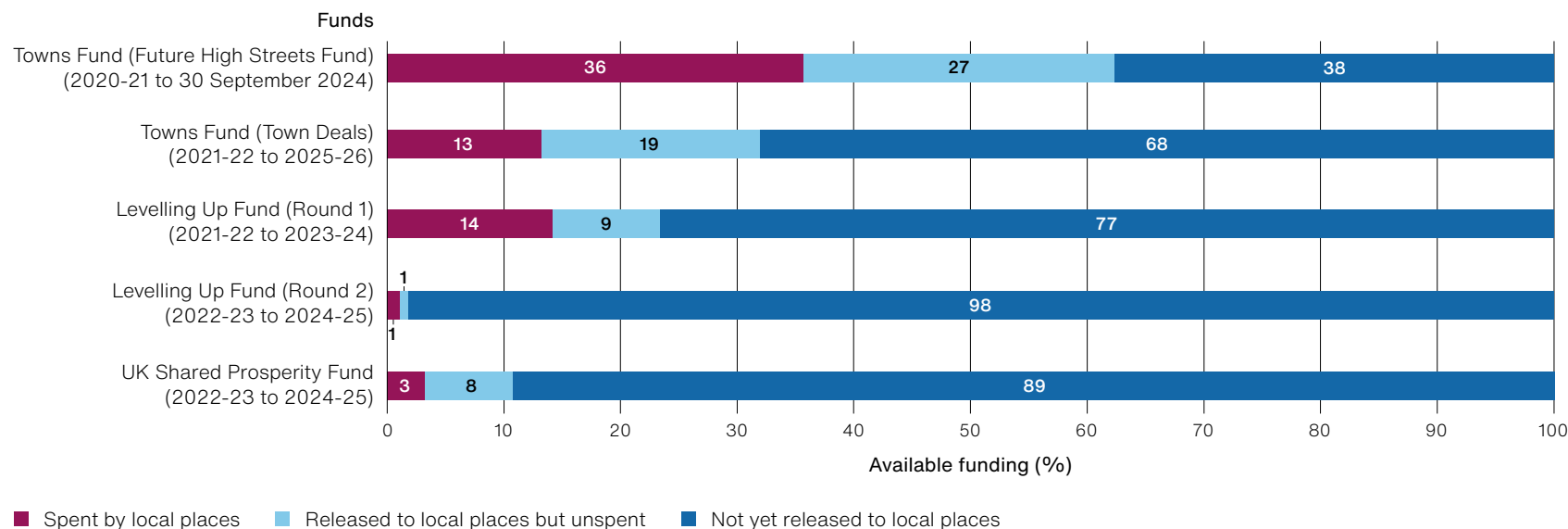
2.5 Wider economic factors have caused delays to projects and DLUHC has not yet adjusted its plans to take account of them. DLUHC's analysis identified the wider economic situation, in particular inflation and its impact on the construction industry, as causing problems for local authorities, with costs increasing significantly on projects. Many of the funding profiles local authorities prepared and DLUHC approved are now unrealistic given the changed economic circumstances. There have been further problems with skills shortages, supplier and labour issues in the construction sector, and a lack of capacity and capability to manage and resource projects at a local level. Grant recipients have also highlighted to DLUHC that the wider environment of rising costs, inflationary pressures, contractor availability, external stakeholder management and regulatory requirements are impacting on delivery, resulting in an average delay of almost 10 months across the programme.

¹⁰ Local authority spending data for the UKSPF were available for England, Scotland and Wales.

Figure 7

Spending of funds released to local places so far across the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund as at 31 March 2023

While we would not expect DLUHC to have released all the allocated funds by this point, the proportion of total funding that has been spent by local places is low across all funds



	Spent by local places	Released to local places but unspent	Not yet released to local places
Towns Fund (Future High Streets Fund)	36% – £296 million	27% – £222 million	38% – £313 million
Towns Fund (Town Deals)	13% – £310 million	19% – £441 million	68% – £1,602 million
Levelling Up Fund (Round 1)	14% – £240 million	9% – £155 million	77% – £1,298 million
Levelling Up Fund (Round 2)	1% – £21 million	1% – £16 million	98% – £2,051 million
UK Shared Prosperity Fund	3% – £81 million	8% – £190 million	89% – £2,242 million

Notes

- 1 The three funds started at different times and have different end dates by which spending needs to be complete. DLUHC will release funding over the course of the funds' lifetime in response to funding requests from local authorities.
- 2 Future High Streets Fund and Town Deals collectively represent the Towns Fund.
- 3 Funding for Levelling Up Fund Round 1 can be spent by exception into 2024-25 and into 2025-26 for Round 2.

Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities data

2.6 Some early problems were caused by DLUHC's initial fund administration.

- The application periods for the LUF and UKSPF overlapped, so DLUHC had to assess multiple bids within a short timeframe. It lacked the capacity to do so as quickly as planned, and subsequent delays in making decisions on successful bids meant that announcements about funding allocations were made later than planned. For example, the UKSPF was launched in April 2022, but DLUHC did not approve investment plans until December 2022.
- DLUHC announced the successful bidders for the LUF in October 2021 (Round 1, which had to be spent by 31 March 2024) and January 2023 (Round 2, which had to be spent by 31 March 2025), but it took longer than planned to confirm funding agreements and transfer funding to local authorities. Local authorities told us they could not risk starting projects without a guarantee that funding would be released, meaning early enabling work such as arranging planning permission or compulsory purchase was delayed, compressing the period in which funds could be spent.
- For the UKSPF, DLUHC took longer than planned to sign off funding agreements. In England, Scotland and Wales local authorities received the first payments in December 2022. This meant that local authorities had four months rather than the expected 12 to spend the first tranche of funds. Local authorities told us they were subsequently able to carry forward their unspent funding, subject to submitting a spending plan to DLUHC, but this has delayed delivery. DLUHC told us that this decision recognised that where the department had caused delays, it had acted to address them. In Northern Ireland the first payments were not made until March 2023.

2.7 DLUHC's processes also contributed to delays in the early stages, once local authorities had funding in place. Local authorities had to obtain agreement locally for project changes, and then from DLUHC. Local authorities found this to be a complex project adjustment process, although this has recently been made easier as part of the funding simplification plans. DLUHC does not have a single definition of a project 'start'. Depending on the project, it could be that building work has commenced, or that planning permission is being sought. This makes consistency of monitoring and reporting difficult. Some local authorities encountered problems with new rules on the financial assistance local authorities can give to private businesses (known as subsidy control) and needed advice from DLUHC on how to comply with the requirements.¹¹

¹¹ The UK subsidy control regime replaced the EU State Aid Rules and began on 4 January 2023. It enables public authorities, including government departments, devolved administrations and local authorities, to give subsidies that are tailored to their local needs and that drive economic growth while minimising distortion to UK competition and protecting the UK's international obligations.

2.8 DLUHC expects local authority spending to increase in the next year, but this may be optimistic as many projects do not have main contractors in place. DLUHC's monitoring information indicates that initial feasibility work has begun on almost all LUF Round 1 and Round 2 projects and all but one TD project. However, as at March 2023, around 50% of main construction contracts for LUF Round 1 projects, and 85% for LUF Round 2, had not yet been signed. Projects may also not yet have completed other preparatory work, such as securing planning permission or compliance with subsidy control rules. DLUHC expects LUF Round 2 projects to be less impacted by delays and cost pressures, as bids were prepared later and should better reflect some of the inflationary cost pressures. DLUHC's forecasts indicate that 175 FHSF projects, and 156 TD projects are due to be complete by 31 March 2024. DLUHC is taking a range of steps to support delivery. To balance the need to encourage timely delivery against keeping rigidly to the original deadlines DLUHC has extended the deadline for the FHSF by six months to 30 September 2024 and will allow, on an exceptional basis, spending to extend beyond the original deadlines for the LUF. For the other funds, it expects funds will be spent by the original deadlines. It is providing an additional £65 million of capacity support to local authorities to support LUF projects. This will include direct grants over three years (2022-23 to 2024-25) to local authorities with successful LUF bids, a network of delivery associates to provide expert support and training and grants to build capacity and capability in local authorities. It is also providing expert support by deploying its own internal finance, legal and commercial experts to support a small number of local authorities facing challenges. In summer 2023 it launched the procurement process to appoint external delivery associates to provide expert support and work with LUF recipients to overcome barriers to delivery.

Impact of project delays

2.9 Delays to projects are putting pressure on delivery deadlines, and there is a risk that some projects will not deliver everything as planned. DLUHC's monitoring information indicates that, as at March 2023, just under half of LUF Round 1 projects were reporting delays. Local authorities told us they have projects which might not be delivered within the original fund timescales (before 31 March 2025 for the LUF, and before 31 March 2026 for the TF), and are starting to consider alternative funding sources so they can continue work beyond these dates. In other cases, local authorities have reviewed and rescope projects to keep costs manageable and deliver within the deadline, meaning these projects may not deliver all their intended outcomes.

2.10 Until recently local authorities had limited ability to change projects in response to changing circumstances or to use funding flexibly. Local authorities can move money between sub-projects within their individual bids. However, they cannot currently move money received under one funding stream to use for projects funded by another. Where costs have increased, local authorities manage this by taking longer to complete a project, pausing work while they seek alternative sources of funds, or reducing what the project will deliver. Requests to change agreed projects are subject to DLUHC's project adjustment process. Pausing work while awaiting approval can create pressure on both local authority and DLUHC resources. Some projects receive match-funding from other sources, and this may be subject to different requirements, limiting flexibility for local authorities to reallocate funding to different years. For example, culture and heritage projects may apply for funding from the Department for Culture, Media & Sport's arm's-length bodies, which have their own processes and timescales.

2.11 As covered in paragraph 1.16, DLUHC has made changes to the project change process to allow local authorities to make changes to the scope and scale of their projects where this does not exceed a 30% threshold without seeking approval. It is also experimenting with greater flexibility across funds in its pathfinder pilot scheme and has committed to more work to simplify funds in its simplification plan.

2.12 Currently DLUHC does not plan to distribute funding beyond September 2024 for the FHSF, March 2025 for the LUF (except on an exceptional basis) and UKSPF, and March 2026 for the TDs. Within these funding deadlines local authorities have to report regularly on their funding expenditure. They told us that pressure to deliver by these deadlines could lead to sub-optimal decisions, with unrealistic re-profiling of spending or money being drawn down in advance of need. Projects may be left incomplete or, if heavily delayed, may not start at all.

Monitoring and oversight

2.13 DLUHC has improved its grant management processes. In August 2021 a Government Internal Audit Agency (GIAA) audit found DLUHC was not well placed to manage the anticipated increase in grant funding that would result from the development of the LUF and UKSPF. It rated DLUHC as 'limited', meaning there were significant weaknesses in its frameworks for managing grants. DLUHC has since taken steps to improve its assurance over delivery of the grant schemes. For example, it has restructured the directorate overseeing the funds with clearly defined roles and responsibilities and developed assurance frameworks for the TF and LUF. The GIAA's most recent assessment in March 2023 of DLUHC's grant management, based on a review of documentary evidence of implementing GIAA's recommendations, was positive, recognising the improvements made, and awarding a 'substantial' rating overall, the highest possible rating. Some of the funds also receive external scrutiny, as the TF and LUF are included in the Government Major Projects Portfolio. An external review of the LUF by the Infrastructure and Projects Authority (IPA) in March 2023 also commented on the strength of governance but highlighted future challenges including managing delivery of existing rounds alongside the additional pressure of a further third round.

2.14 DLUHC has established different monitoring and oversight arrangements for the three funds. It manages them as a programme, with a programme board feeding into a portfolio board chaired by a senior official. The programmes are supported by steering groups, including external organisations such as the IPA and HM Treasury. For each fund, DLUHC's central teams collect information from local authorities either on a quarterly or six-monthly basis. This includes information on spend, delivery progress and risks, and on outputs and outcomes delivered. Local authorities submit the required information in DLUHC-designed spreadsheets. For the LUF, this information populates a dashboard which is used to inform decision-making within DLUHC at the different boards, and to identify where action is needed to support individual authorities with delivery.

2.15 DLUHC provides support to local authorities through its area teams, which are responsible for liaising and supporting local authorities in their region. They provide local insight to inform decisions within DLUHC, and help local authorities to unblock issues, for example follow-up where DLUHC needs to approve project changes.

2.16 Local authorities' experiences of monitoring and oversight have been mixed. Those local authorities we spoke to had a generally positive experience of working with DLUHC's area teams but had sometimes found it difficult to get a timely response to their queries. They were also less positive about the burden created by the monitoring requirements for the different funds, finding some of the standardised forms difficult to complete. It was not always clear to local authorities why DLUHC was asking for particular information, or how it was using the information provided.

2.17 DLUHC intends to build on its LUF dashboard to make further improvements to monitoring and oversight. DLUHC plans to make the monitoring and reporting more automated to reduce the administrative burden on local authorities and has been developing an online portal for this purpose. DLUHC has also committed to further streamlining of its monitoring through the funding simplification plan and aims to make its data collection more joined-up.

Part Three

Progress evaluating the three funds

3.1 This part of the report sets out:

- the recent progress the Department for Levelling Up, Housing & Communities (DLUHC) has made developing plans for evaluation of the Towns Fund (TF), Levelling Up Fund (LUF) and UK Shared Prosperity Fund (UKSPF); and
- the risks it faces to delivering timely and useful insights.

Progress since our February 2022 report on supporting local economic growth

3.2 DLUHC's understanding of what works in local economic growth has historically been poor. In February 2022, our report *Supporting local economic growth* highlighted that DLUHC had a poor understanding of what had worked well in its previous local growth programmes because it had not consistently evaluated them.¹² DLUHC already recognised that its evidence base for what works in stimulating local economies could be improved, accepting that it needed to do more to evaluate interventions from the start and by the time of our 2022 report had a programme of work under way.

3.3 Since February 2022, DLUHC has published its first ever overarching evaluation strategy, which sets out its expectations for future evaluations. DLUHC intends to have evaluations for all key programmes across its policy areas. The strategy, published in November 2022, made a range of commitments for the planning, design and governance of its evaluation work, including:

- early planning: integrating evaluation into policy design, with requirements for departmental business cases to include dedicated sections setting out evaluation requirements;
- evaluation design: using techniques such as randomised control trials or other comparative methods wherever possible, to understand the differential impact between places that received interventions and those that did not;

¹² Comptroller and Auditor General, *Supporting local economic growth*, Session 2021-22, HC 957, National Audit Office, February 2022.

- local government evaluation: working with local authorities to support their evaluation activities including support for training through DLUHC workshops and funding the work of the What Works Centre for Local Economic Growth, which provides support to local authorities with how to evaluate;
- quality assurance and governance: continuing the scrutiny of evaluation plans by a research review panel made up of experts led by DLUHC's chief analyst. Delivery of evaluation will be overseen by the governance structures responsible for delivery of the programmes themselves; and
- transparency: publishing the final reports of all evaluations.

3.4 In its funding simplification plan, DLUHC has also committed to a range of measures to simplify and reduce the burden of local government evaluation. DLUHC will publish all monitoring and evaluation guidance in a central location and remove the requirement for places to conduct local-led evaluations in most situations. Other measures it is developing for new funding programmes include:

- development of a set of principles to ensure that requests for data are proportionate and add value;
- making better use of existing and alternative data sources, to reduce the burden on places;
- ensuring data submission frequency is consistent wherever possible;
- rationalising the number of indicators and reducing duplication; and
- reducing the amount of paperwork required to access grants.

3.5 DLUHC has also published initial plans for evaluating its major levelling-up funds. When we published our February 2022 report, DLUHC had already produced a strategy for evaluating the TF, which it published in December 2021. We recommended that DLUHC also publish plans to evaluate the LUF and the UKSPF. DLUHC published these evaluation strategies in March 2022 and March 2023 respectively.¹³ DLUHC told us it was committing £40 million across the evaluation of all its economic growth interventions, including the three funds covered in this report.

¹³ DLUHC's evaluation strategy for the UKSPF also includes evaluation for the Multiply numeracy scheme, which will be overseen by the Department for Education. We have not examined Multiply evaluation plans as part of this report.

Evaluating the three funds

3.6 DLUHC's evaluation plans for the funds reflect many of the approaches in its overarching evaluation strategy. The three funds now have published evaluation strategies which set out the broad approach to evaluation that DLUHC intends to adopt, and reflect commitments in DLUHC's overarching evaluation strategy including:

- theories of change which have been published for the TF and the LUF. DLUHC has also published an overarching theory of change for the UKSPF while more detailed versions remain under development;
- commitments to undertake the full range of evaluation work set out in the strategy including process evaluation, impact evaluation and value-for-money evaluation; and
- commitments to publish final evaluation reports, subject to ministerial approval before publication.

3.7 DLUHC's early plans for impact evaluation are a positive step, involving a range of approaches. DLUHC's overarching evaluation strategy endorses the use of a wide range of methods including randomised control trials to evidence the impact of funding wherever possible. Fund evaluation plans anticipate using experimental and quantitative methods for impact evaluations, including:

- techniques to identify places with similar enough characteristics to be credible comparators to locations receiving support. Using approaches to track the impact of funding in these places compared with the places that did not receive funds;
- techniques to show how benefits to individuals and firms change with distance from a fund project, compared with similar places not in receipt of funding; and
- randomised control trials on interventions best suited to this approach, such as skills and business support projects. The UKSPF evaluation will be the first time DLUHC has used this approach to evaluate local growth projects.

3.8 DLUHC is yet to finalise its impact evaluation plans and has commissioned feasibility studies to further develop options and approaches. DLUHC's evaluation strategy for the LUF committed to a feasibility study to assess options for impact evaluations. DLUHC commissioned an external provider in 2022 and published the findings of the study in June 2023. The report concluded that impact evaluation was feasible and set out a range of proposed methods.¹⁴ DLUHC expects to appoint a provider by March 2024 to deliver the evaluation. DLUHC appointed providers for the TF evaluation and the UKSPF evaluations in spring 2023. DLUHC received feasibility work on the UKSPF intervention-level evaluation in September 2023 and expects feasibility work on the TF to complete in November 2023.

¹⁴ IPSOS UK, *Levelling up fund: Impact evaluation scoping study*, June 2023.

3.9 DLUHC has decided to commission and deliver much of the evaluation work centrally, to improve its quality and reduce the burden on local authorities. DLUHC initially envisaged that funded places would undertake local evaluations. However, in its simplification plans published in July 2023 DLUHC said that mandated locally-led evaluations impose disproportionate burdens on local authorities for the insight produced. It noted that central evaluations have better data access and capability to deliver quality place-level insights. Although DLUHC has not changed the mandatory requirement for local evaluation for the LUF Round 1 projects, as these are already in progress, local evaluations on individual projects are now encouraged but not required for the other funds. These local evaluations will support local authorities' own learning and are in addition to the central evaluations.

3.10 DLUHC has drawn on the governance and scrutiny approaches outlined in its overarching evaluation strategy when developing its plans. Our 2021 report *Evaluating government spending* highlighted DLUHC's use of a research review panel, where a panel of experts scrutinises proposals for evaluation projects over a minimum monetary threshold.¹⁵ DLUHC's 2022 overarching evaluation strategy commits to ongoing use of this panel to scrutinise plans, progress and final reports. The panel is chaired by DLUHC's chief analyst and includes representatives from DLUHC's chief scientific adviser's office alongside commercial, financial, legal and data specialists. It has reviewed the fund evaluations at key points, including for example the initial TF evaluation plans in June 2021 and scrutinising plans for the LUF impact evaluation feasibility study in June 2022. Governance and scrutiny has also been provided by:

- evaluation steering groups for each of the funds chaired by senior DLUHC evaluation staff. These bring together fund evaluation staff, including representatives from other relevant government departments such as the Department for Transport, the Department for Culture, Media & Sport, and the Department for Education. The meetings are also attended by staff from the Cabinet Office-HM Treasury Evaluation Task Force and the What Works Centre for Local Economic Growth;
- a Technical Advisory Group including evaluation practitioners from across DLUHC and other government departments and external experts from the Evaluation Task Force, the What Works Centre for Local Economic Growth and academia. The group provides advice on complex aspects of UKSPF evaluation planning as required; and
- fund evaluation staff attending programme management boards which oversee delivery of the schemes, providing the integration of evaluation into delivery that is recommended in the overarching evaluation strategy.

¹⁵ Comptroller and Auditor General, *Evaluating government spending*, Session 2021-22, HC 860, National Audit Office, December 2021.

Risks to evaluation

3.11 DLUHC's overarching evaluation strategy recognised some specific challenges in evaluating place-based initiatives. These include the difficulty of identifying meaningful comparator places and attributing impacts to specific interventions where places may receive multiple or overlapping funding streams. DLUHC's fund design represents a devolved approach whereby local places deliver their own individual projects to support levelling up. The TF and LUF support more than 1,300 individual projects, while the UKSPF is supporting more than 3,000 projects across the UK. The devolved approach provides additional evaluation challenges. DLUHC's LUF feasibility study highlighted the relatively small sample sizes available for comparison when grouping thematically similar projects together. It also highlighted that local authorities' freedom to meet local needs results in a wide variety of projects, which makes quantitative evaluation harder.

3.12 DLUHC's plans for sharing insights on what works with local authorities and local decision-makers are not yet fully developed. In 2023 DLUHC removed the expectation that local authorities would undertake their own local evaluations (see paragraph 3.9). While options remain for local authorities to evaluate locally or engage with aspects of central evaluation work such as UKSPF place-based case studies, DLUHC's published evaluation plans do not explain how it will engage local policy-makers more widely with learning emerging from central evaluation. As our 2021 report *Evaluating government spending* highlighted, one of the most common barriers to the use of evaluation is a lack of understanding of evaluation evidence by policy-makers.

3.13 DLUHC has taken some early steps to support local learning including a conference for TF participants in June 2023 which included sessions on learning from delivery to date. DLUHC is considering other learning models including 'buddying' between local places for current projects, facilitated best practice sharing through the delivery associates it is currently in the process of appointing, and developing a central database on what works based on its monitoring and evaluation activity to support future funds. DLUHC also provides funding to the What Works Centre for Local Economic Growth, which publishes wider evidence on learning from local growth initiatives. Without such mechanisms for sharing, learning risks being limited only to those local places with the capacity to engage with DLUHC's central evaluation work, or those that are able to undertake their own evaluations.

3.14 DLUHC intends to rely on interim evaluations and process evaluations to inform short-term spending decisions on the future of the funds. Impacts from the three funds will take time to appear, with many only expected to arise in the years following their completion. This creates a risk that there will be limitations on what impact evidence will be available in the short term to inform spending decisions beyond spring 2025. DLUHC intends to use interim evaluations, a number of which are due to report in 2024 (**Figure 8** overleaf). DLUHC is also considering other ways to generate additional insights to supplement the evidence base for these decisions including:

- in-house learning exercises already completed including reviews of the causes of TF and LUF delivery delays (see paragraph 2.4) and experiences of the LUF application process; and
- exploring the scope for using monitoring data from the funds to identify any potential impacts that could be implied from metrics including changes to traffic flow, attendance at cultural events, or commercial property vacancy rates.

As Figure 8 shows, DLUHC will continue to generate a range of evaluation outputs beyond spring 2025.

3.15 While project delays may further limit the availability of evidence for the next round of spending decisions, DLUHC has also had some problems getting evaluation work underway. Part Two of this report highlights the extent to which delivery of projects across the three funds is behind schedule, creating risk for the delivery of intended benefits. This in turn adds to the risk that early evidence of impact in time for future spending decisions may be limited, as well as posing risks to the timeline for finalising evaluation activity. Additionally, DLUHC is behind where it expected to be with the procurement of evaluation work particularly on the TF, which had been the furthest advanced of the evaluation plans when we last reported in 2022 (**Figure 9** on page 43).¹⁶ DLUHC reports the causes of early delays as including:

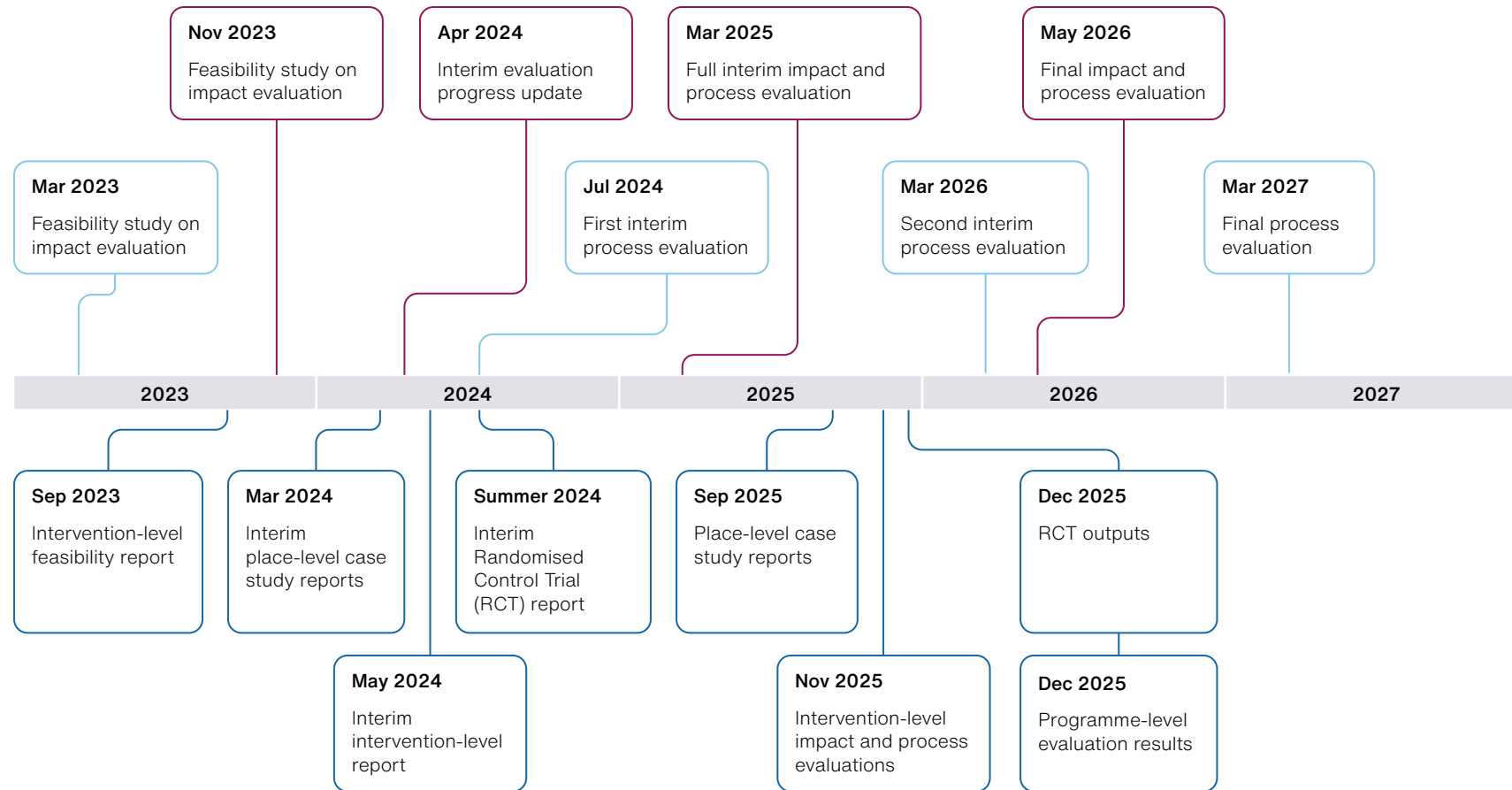
- insufficient DLUHC evaluation staff numbers during the early period of the schemes. Since 2021 evaluation staff working on the funds has grown from two to around 20;
- overstretched commercial capability at a time DLUHC was taking multiple evaluations to the market to appoint external providers; and
- political changes delaying approvals to begin procurement exercises.

¹⁶ Comptroller and Auditor General, *Supporting local economic growth*, Session 2021-22, HC 957, National Audit Office, February 2022.

Figure 8

Key evaluation outputs from the Towns Fund, Levelling Up Fund and UK Shared Prosperity Fund up to March 2027

The Department for Levelling Up, Housing & Communities (DLUHC) has plans for 16 evaluation outputs across the three funds by March 2027



□ Towns Fund
 □ Levelling Up Fund
 □ UK Shared Prosperity Fund

Notes

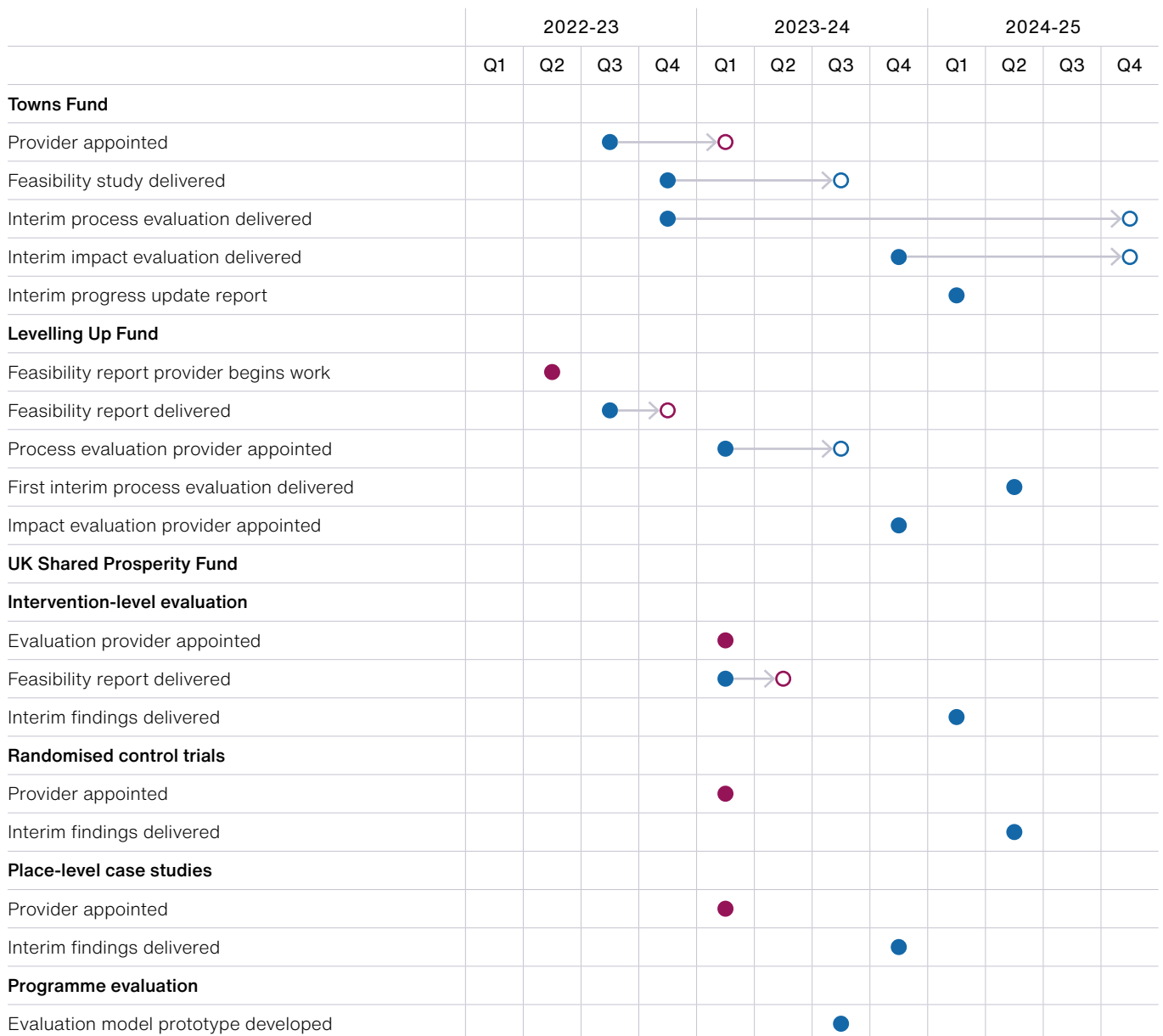
- 1 Dates shown are the date DLUHC expects to receive the evaluation report from the provider prior to publication.
- 2 DLUHC additionally expects to appoint a provider for an impact evaluation of the Levelling Up Fund by April 2024.

Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities documentation

Figure 9

Progress setting up early stages of fund evaluations for the Towns Fund, Levelling Up Fund and the UK Shared Prosperity Fund

The Department for Levelling Up, Housing & Communities is behind where it expected to be setting up the early stages of evaluation on the Towns Fund and Levelling Up Fund



- Planned milestone
- Revised milestone target
- Milestone delivered on time
- Milestone delivered late

Source: National Audit Office analysis of Department for Levelling Up, Housing & Communities data

3.16 Government spending cycles mean that DLUHC has not yet secured funding to evaluate all the longer-term impacts of the funds. While spending rules do not prevent financial commitments beyond a Spending Review period where necessary, any commitment to use public resources beyond the agreed budget plans will require agreement from HM Treasury. As paragraph 3.14 sets out, many impacts from the funds will take time to arise. While DLUHC anticipates that benefits will continue to arise beyond spring 2026 it has currently only contracted for impact evaluations out to March 2026 on the TF as its procurement guidelines prevent it from letting contracts for longer than four years. DLUHC has not yet commissioned an impact evaluation of the LUF because the full set of benefits will not be apparent until after projects have been completed. However, it expects to appoint a provider by April 2024. DLUHC's plans for evaluating any longer-term impacts of the funds therefore remain uncertain.

Appendix One

Our audit approach

1 This report examines the Department for Levelling Up, Housing & Communities' (DLUHC's) approach to three major levelling-up funds: the Towns Fund (TF), the Levelling Up Fund (LUF) and the UK Shared Prosperity Fund (UKSPF).

2 To reach our conclusions we considered whether:

- the three funds have clear aims and objectives and have been designed and allocated as part of a joined-up approach (Part One);
- the three funds have been distributed in line with their objectives and if they are delivering projects as planned (Part Two); and
- DLUHC has an effective approach for the evaluation of the three funds (Part Three).

3 This report does not review DLUHC's allocation choices, and we have not revisited the issues raised in our 2022 *Supporting local economic growth* study around the design and approval of funds, except to consider what has happened in response to relevant recommendations.

4 Our independent conclusions are based on the analysis of evidence we collected between May and September 2023. In forming our conclusions, we drew on a range of study methods and a variety of evidence sources, which are set out in the paragraphs below.

5 To allow us to report consistent data across the three funds we used a cut-off date of 31 March 2023 for funding expenditure and project progress. We have rounded spending amounts to simplify the report.

Interviews

6 To understand the approach taken by DLUHC regarding the funds we conducted around 20 interviews with relevant officials within DLUHC. These meetings covered:

- DLUHC's approach to the design of the funds;
- DLUHC's approach to the evaluation of the funds;
- DLUHC's approach to monitoring and the data collected;
- progress against expectations across project delivery and providing funds to recipients;
- key data collected by DLUHC and how it is being used;
- DLUHC's structure relating to the design, implementation and evaluation of the three funds;
- how DLUHC worked with other government departments; and
- DLUHC's approach to working with local authorities.

7 We created topic guides for each interview linked to our study questions. Each interview was tailored to the responsibilities of the team we were talking to.

8 We met with officials from other government departments, as well as the audit bodies in the devolved administrations, to inform our report and understand their perspectives and roles regarding the three funds:

- the Department for Culture, Media & Sport;
- the Department for Education;
- the Department for Transport;
- HM Treasury;
- the Department for Work & Pensions;
- the Northern Ireland Audit Office;
- Audit Scotland; and
- Audit Wales.

9 Interviews took place in June and July 2023. These interviews were carried out online and typically lasted for one hour with detailed notes taken. We analysed the interview notes for common themes and issues and cross-checked the information from DLUHC against the views of other bodies. We used this qualitative information to support our conclusions and narrative.

10 To inform our study approach and capture a range of views and perspectives on DLUHC’s approach to the three funds, we interviewed representative bodies, academics and research institutes and sector expert bodies. We conducted interviews with 12 wider stakeholders. We chose our sector experts to gain insight into their knowledge of local economic regeneration. We also followed up with experts we had spoken to in previous studies to help assess progress. Stakeholders included the:

- Bennett Institute for Public Policy (University of Cambridge);
- Centre for Urban & Regional Development Studies (University of Newcastle);
- Chartered Institute of Public Finance and Accountancy (CIPFA);
- City-Region Economic Development Institute (Birmingham University);
- Cabinet Office-HM Treasury Evaluation Taskforce;
- Government Internal Audit Agency;
- Institute for Government;
- Institute for Economic Development;
- Local Government Association (LGA);
- Local Partnerships;
- Society of Local Authority Chief Executives (SOLACE); and
- What Works Centre for Local Economic Growth.

11 We provided a brief outline of our study and the issues we wished to discuss. Each interview was tailored to their area of expertise. We sought views on:

- DLUHC’s approach to the design of the funds;
- DLUHC’s approach to the evaluation of the funds;
- the evidence base for local growth and evaluating local growth funds;
- the experience of local places regarding applying for funding and completing evaluations;
- views on what learning would be useful for the sector; and
- views on outputs seen to date.

12 Interviews primarily took place in June and July 2023. These interviews were carried out online and typically lasted for one hour with detailed notes taken. We analysed the interview notes for common themes and issues. We used this qualitative information to support our conclusions and narrative.

Case studies

13 To help select our case studies in England we asked sector representative bodies to consult with their members to identify local authorities who wished to be a case study. We then supplemented these local authorities to ensure we had a range of locations, organisational structures, and political control. These included a mayoral combined authority, county councils, district and metropolitan district councils, unitary authorities and London boroughs. We also used the award of money across the three funds and the government's own priority classification of local authorities to help inform our selections. We conducted 12 case study interviews with local authorities in England. We spoke to:

- Bournemouth, Christchurch and Poole Council;
- Coventry City Council;
- Doncaster City Council;
- Hackney Council;
- Knowsley Council;
- Lincolnshire County Council;
- Newham Council;
- Norfolk County Council;
- North Norfolk District Council;
- Plymouth City Council;
- Warwickshire County Council; and
- West Midlands Combined Authority.

14 We spoke to local authorities in the devolved administrations to help gain an understanding of their experience relating to the three funds. We spoke to the:

- Welsh Local Government Association (WLGA);
- Convention of Scottish Local Authorities (COSLA);
- Society of Local Authority Chief Executives Northern Ireland (SOLACE NI);
- Belfast City Council;
- Ards and North Down Borough Council;
- Antrim and Newtonabbey Borough Council; and
- Argyll and Bute Council.

15 To help understand the effectiveness of DLUHC’s approach to the three funds we sought local authorities’ perspectives on:

- how the funds align with the authorities’ strategies;
- experience of applying for funding;
- experience of DLUHC’s communication, support and guidance;
- feedback after the bidding processes;
- progress on receiving funds and project delivery;
- barriers and challenges regarding project delivery; and
- views on the monitoring and evaluation requirements.

16 Interviews primarily took place between June and September 2023. These interviews were carried out online and typically lasted for one hour with detailed notes taken. We provided topic guides to direct our conversations. We used the evidence gathered to underpin our conclusions and narrative.

Document review

17 We reviewed a range of published and unpublished documents relating to DLUHC and the aims and objectives of the funds; distribution and delivery of the funds; and on the evaluation of the funds. These included:

- previous National Audit Office (NAO) and parliamentary reports;
- business case material;
- strategies and prospectuses;
- internal audit reviews;
- programme board papers;
- programme monitoring information dashboards where available;
- internal process evaluations and internal policy reviews;
- correspondence and other documentation provided by case study local authorities;
- corporate and fund-level evaluation strategies; and
- published evaluation outputs.

18 Our document review was carried out between May and September 2023. We recorded analysis of documents against our study questions and analysed information relating to evaluation against the NAO audit framework for evaluation. Experts from our internal analysis hub contributed to an additional review of key evaluation documents.

Quantitative analysis

19 We used a range of published and unpublished data to inform our study. The data related to the allocation, monitoring and spending of the three funds, including:

- successful and unsuccessful bids for the Levelling Up Fund Round 1 and 2 and allocations to successful places;
- shortlist of towns invited to bid in the Future High Streets Fund (FHSF) and allocations to successful places;
- allocations to the towns awarded Town Deals (TDs);
- UKSPF core and multiple funding allocations;
- LUF monitoring data including overall spend;
- spend to date data for the FHSF and the TDs; and
- priority index category of local authorities for the LUF.

20 The data have been used to set out the geographic distribution of the allocations, the spending and progress in delivering the projects.

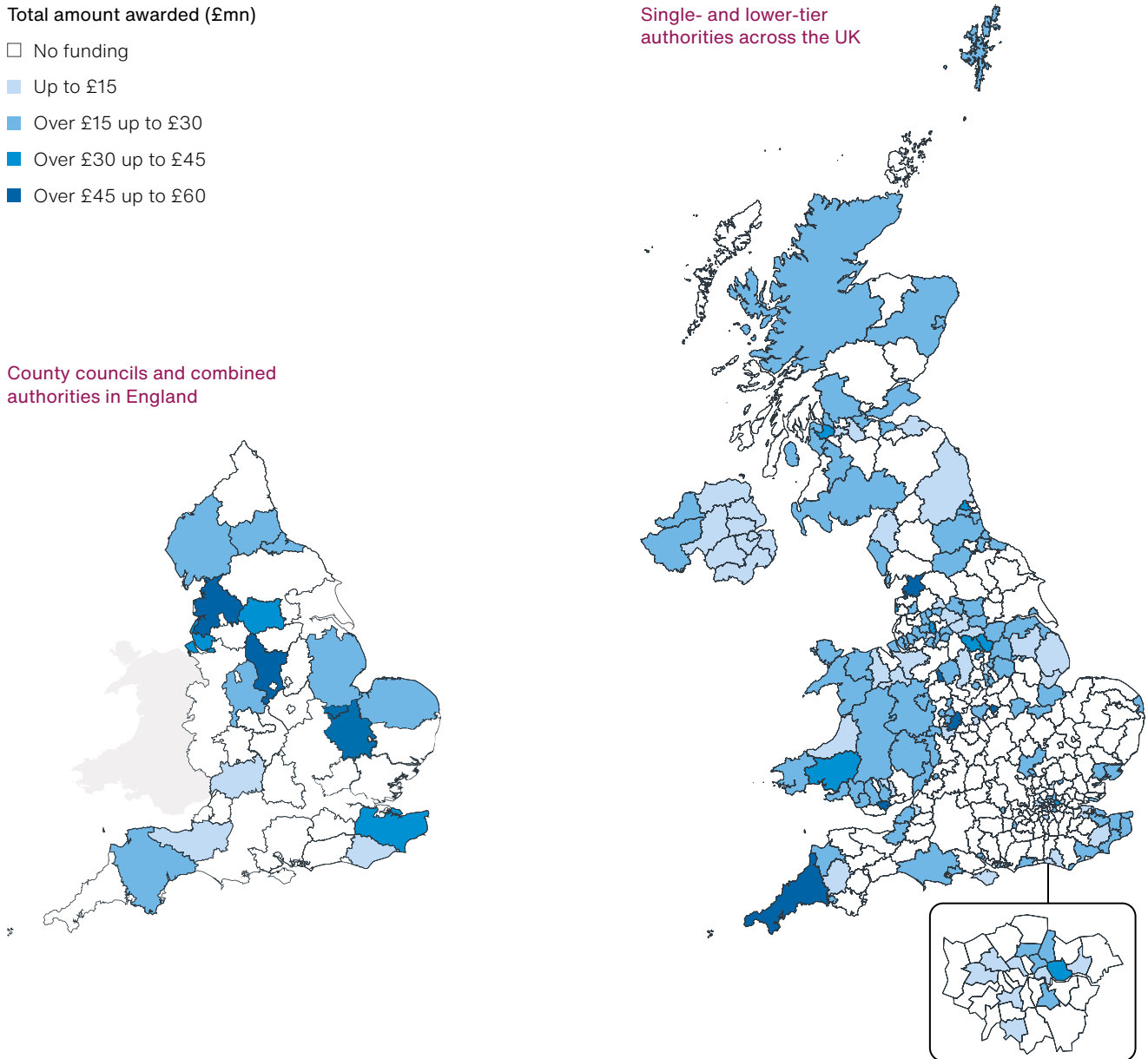
Appendix Two

Distribution of funding

1 The projects the Levelling Up Fund (LUF) is funding are spread across the UK and vary in size from £800,000 to £50 million (**Figure 10** overleaf). Projects funded by the Towns Fund (TF) are spread across England and vary in size. Town Deals (TDs) investments range from £12.3 million to £62.6 million and Future High Streets Fund (FHSF) projects range from £1.1 million to £25 million. In England 33 local authorities contain towns benefiting from both TD and FHSF funding (**Figure 11** on page 53).

Figure 10
Distribution of Levelling Up Fund awards across the UK

The size of funding from the Levelling Up Fund awarded to authorities varies



Notes

- 1 This map includes awards from both Round 1 and Round 2 of the Levelling Up Fund.
- 2 Where an authority has been successful in more than one bid, the values of all bids have been added up.
- 3 Authorities correct as at December 2022.
- 4 Six companies in Northern Ireland also received funding from the Levelling Up Fund, totalling £27.6 million.
- 5 Greater London Authority also received funding from the Levelling Up Fund, totalling £43.2 million.
- 6 While Cambridge County Council did not receive any funding, Cambridgeshire and Peterborough Mayoral Combined Authority received £47.9 million.

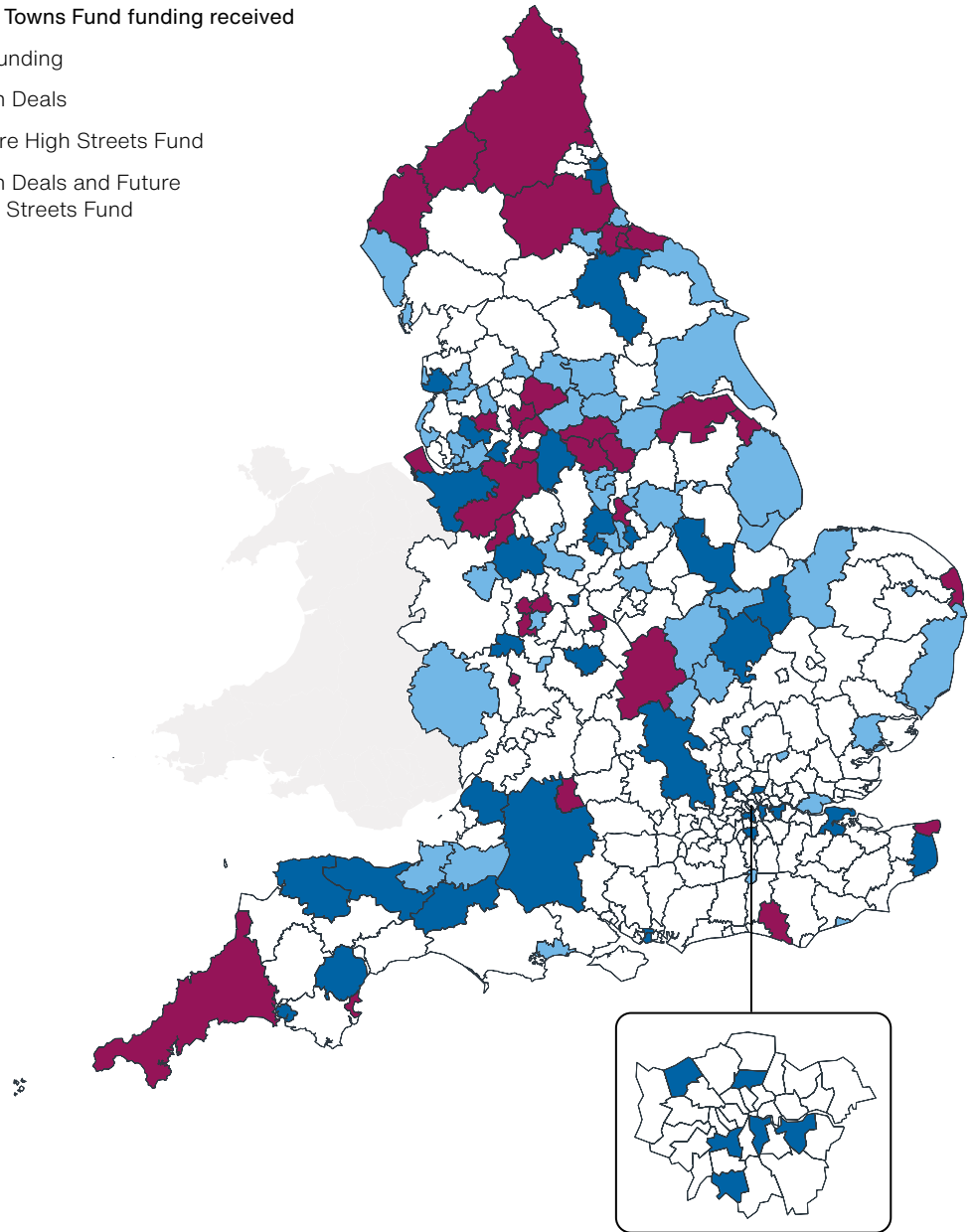
Figure 11

Local authorities receiving Towns Fund investments in England

Thirty-three local authorities receive funding from both Town Deals and the Future High Streets Fund

Type of Towns Fund funding received

- No funding
- Town Deals
- Future High Streets Fund
- Town Deals and Future High Streets Fund



Note

1 Single- and lower-tier authorities correct as at December 2022.

Source: National Audit Office analysis of fund awards published by HM Government and map boundaries from the Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2022

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