

# Loughborough Town Deal Board

5th December 2023

1.00pm Hybrid Meeting, Conference Room, Great Central Railway, Loughborough

## Agenda

Item	Subject	Page #	Action
1	Apologies	-	
2	Draft minutes of the previous meeting & matters arising	2 - 6	Approval
3	Declarations of Interest	-	
4	Delivery Sub-Group Update - (EXEMPT)	-	To note
5	Programme and Projects Update (EXEMPT Appendices A and C)	7 - 21	To note
6	Communications Update	22 - 27	To note
7	AOB	-	
	Future meeting dates:  08 March 2024, 1pm	-	
	Followed by: Tour of GCR's Town Deal Locomotive Shed Project With Malcolm Holmes, General Manager		

# Meeting minutes

ITEM 2
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<b>PROJECT</b>	Town Deal		
<b>DATE</b>	29th Sep 2023	<b>LOCATION</b>	MS Teams

Attendees	
<b>Board Members</b>	
Dr Nik Kotecha (Chair)	Randalsun Capital Ltd
Jo Maher	Loughborough College
David Pagett-Wright	Chair of the CCEG
Andy Reed	LLEP
Prof. Chris Rielly	Loughborough University
Deborah Taylor (CC)	Leicestershire County Council
Cllr Jenni Tillotson	Lead Member for Economic Development, Regeneration and Town Centres
Martin Traynor	Economy and Skills Group
<b>Officer Attendees</b>	
Phoebe Dawson	LLEP
Maria Curran	Charnwood Borough Council
Chris Grace	Charnwood Borough Council
Mike Roberts	Charnwood Borough Council
Nicky Conway	Minute Taker (Charnwood Borough Council)

<b>Meeting Type (Team, Board or other)</b>
Board Meeting
<b>1. Apologies</b>
Lez Cope-Newman (Loughborough BID), Jane Hunt (MP for Loughborough), Cllr Miah (Leader of the Council),  Jo Dexter (BEIS), Tom Purnell (LCC), Rob Mitchell (Charnwood Borough Council) Simon Jackson (S151 Officer), Justin Henry (Charnwood Borough Council).
<b>2. Minutes of the previous meeting and matters arising</b>
The minutes of the previous meeting were confirmed as a correct record.  Noted that Town Deal Board Members were included on the distribution list for project update communications.
<b>3. Declarations of Interest</b>
Jo Maher declared an interest as the Loughborough College representative and Loughborough University with a project included in the Town Deal.

## Meeting minutes

Prof Chris Rielly declared an interest as the Project Lead for the Healthy and Innovative Loughborough project.

David Pagett-Wright declared an interest as a Director of the Generator Loughborough CIC and a member of Love Loughborough (BID) project.

### 4. Appointment of Vice Chair

The Chair asked for nominations for the position of Vice-chair. He noted that a role profile for Chair had been circulated as a background paper and that the Vice-chair would be expected to step in when he was unable to attend meetings. The occupant of the role would ideally not have any conflicts with Town Deal Projects.

The Board discussed increasing the number of independent Board Members which could also provide additional support to the Delivery Sub-Group. It was noted that joining at this stage could be challenging for a new member to get up to speed and that colleagues known to Board Members who could be suitable were likely to be quite busy with other projects. It was not suggesting that any skills were missing from the current Board, however, new members would be required to have detailed project monitoring and analytical skills.

#### Agreed:

1. that Andy Reed be appointed as Vice-chair of Loughborough Town Deal Board.
2. that members consider suitable options for candidates and forward suggestions to the Chair.

### 5. Delivery Sub-Group Update

Maria Curran provided a brief summary of the Delivery Sub-Group meeting in August referencing its full agenda including performance monitoring, DLUHC updated PAR guidance, the risk register and proposed business event. Detail on some of the topics it considered were also part of this agenda for the Board to consider.

Jo Maher provided an update for the Digital Skills Hub Project stating that an innovative turnkey fixed priced contract was an option to try and retain the aesthetic but find a more cost effective build solution. She currently had a high level of confidence that the project could be delivered in line with its original budget. Also, due to rising tender prices for the Sports Hall the Department of Education were funding the gap and different approaches were being taken for tendering. The Chair thanked Jo for a positive update.

**Recommendation Agreed:** that the Board notes the contents of the report.

### 6. Terms of Reference and Project Assurance Framework Updates

Maria Curran introduced the report and explained the changes proposed, reflecting the new membership and chairing arrangements, and to incorporate the guidance on Project Adjustment Request (PAR) process recently issued by DLUHC.

## Meeting minutes

It was noted that the addition of a Vice-chair to the chair arrangements (as agreed in item 4) would be included in the updated Terms of Reference for the Town Deal Board. There were no questions as members considered the information provided to be straight forward.

### **Recommendations Agreed:**

1. that the Board ratifies the amendments to its Terms of Reference.
2. That the Board approves the revisions to the Project Assurance Framework and the associated modifications to the Terms of Reference of its Delivery Sub-group, including those set out in the Board's terms of reference.

### **7. Programme and Projects Update**

Maria Curran introduced the report and highlighted the relevant points, noting that all projects were in the delivery phase and that £4.2million of the Town Deal funding had been received with further funding to be released in October. All projects would start to utilise Town Deal funding in the Financial Year (FY) 2023/24 apart from one project and four were anticipated to be completed within this FY. She stated that there was an emerging pattern of increasing delay due to challenges with the tender market and rising costs, not within the projects control and that this was affecting all Town Deals. She then provided a brief overview of the status of each project.

#### Summary of discussion:

- Project Leads were working hard within a challenging environment and were investigating financial options that currently did not require additional Town Deal funding.
- joint procurement for the Digital Skills Hub and Institute of Technology was an example of challenges faced by projects when going out to tender. Projects were conscious that if they did not take current tender prices and had to go out tender again, the prices would have risen during that time.
- it was possible that Central Government would soften its approach towards funding due to the current financial climate faced by all sectors of business. It could be beneficial to consider the project overages, include a narrative and liaise with DLUHC to explain how it could impact on the timescale of delivery of projects and see if additional funding was available.
- there was a mechanism to manage risk for projects not being delivered whereby issues would be brought to the Town Deal Board within three months. At present although there was slippage there was no indication that the projects would not be delivered by March 2026. One project was considering its options for using its Town Deal Funding for early enabling works and financing the construction itself, but this would be discussed with DLUHC.
- noted that Central Government had publicly stated it wished to put Towns centre to its levelling up agenda.

The Chair stated that he had reached out to Chairs of other Town Deal Boards and was scheduling a meeting in October and would hopefully be able to report back to the Board at its next meeting.

**Recommendation Agreed:** that the Board notes the contents of the report.

## Meeting minutes

### 8. Town Deal Budget

Maria Curran introduced the report and noted that this report specifically on the revenue budget to support the programme and summarised the outturn position 2022-23 with the forecast budget for 2023-24. She highlighted particular details in the budget including the contingency reserve approved previously by the Delivery Sub-Group.

There were no questions.

**Recommendation Agreed:** that the Board notes the contents of the report.

### 9. Communications Update

Mike Roberts introduced the report and highlighted some of the key points which were keeping Loughborough Town Deal in the spotlight. Plans for the two proposed events, (business and public facing) were underway and more detail would be provided to the Board when available.

There were no questions and Board Members thanked the Comms team for their work.

**Recommendation Agreed:** that the Board notes the communications update and planned next steps.

### 10. Towns Conference

Maria Curran introduced the report and noted that the key takeaway point was to ensure that Town Deal Boards kept a strategic oversight with local leadership and were prepared to make difficult decisions. Information from the technical sessions she had attended had been shared with Project Leads.

The Chair noted that it was clear other Town Deals were facing similar challenges and thanked Maria for attending.

**Recommendation Agreed:** that the Board notes the update of the Town Conference.

### 11. Any Other Business

David Pagett-Wright, as chair of the Community Consultation and Engagement Group (CCEG), noted that the Group had not met recently and that it could be beneficial to align the timing of the next meeting with the proposed Communications events.

It was noted that a date had been arranged for the Member Reference Group to meet in November.

Chris Grace agreed that a meeting of CCEG could be arranged as there was a new focus and projects were into the delivery stage. He would liaise with the Chair of CCEG to arrange a meeting to align with future communications activity. Noted that the Communications Manager attended these meetings.

## Meeting minutes

### Date of next Meeting

5th December 2023, 1pm – to be held as an in-person meeting at GCR. Virtual attendance was possible if required but it was encouraged that members attend in person.

### Follow up actions

6	The vice-chair appointment to be included in the Board's Terms of Reference prior to its publication on the Town Deal Website
7	Officers to consider liaising with DLUHC regarding project overages, including a narrative and explaining how it could impact on the timescale of delivery of projects and see if additional funding was available.
7	The Chair to report back to the Board at its next meeting regarding his regional Town Deal Board Chairs meeting.
11	Officers to arrange a meeting of the Community Consultation & Engagement Group.

## LOUGHBOROUGH TOWN DEAL BOARD

5TH DECEMBER 2023

### Item 5 – Programme and Projects Update

#### 1. Introduction

- 1.1 This report provides an overview of progress being made in delivering the Town Deal programme and the status of its projects.

#### 2. Recommendation:

That the contents of the report be noted.

#### 3. Background

- 3.1 The Delivery Sub-Group is responsible for monitoring the performance of approved projects during their delivery stage (as set out in its Terms of Reference) while the Board is responsible for maintaining strategic oversight of the Town Deal, approving the annual delivery plan and monitoring the delivery of target outputs and outcomes.
- 3.2 Monitoring is important in tracking how Town Deal funding is being utilised and projects delivered, while also ensuring accountability for public funding. DLUHC bases the release of further Town Deal funding on delivery activities and performance.
- 3.3 Formal, half yearly performance reports are required to be submitted to DLUHC in December (for the FY period April to September) and June (for the FY period October to March). This report provides an update on key areas of activity and delivery expectations and the recent Performance Report to DLUHC.

#### 4. Programme Update

- 4.1 The total Town Deal funding received to-date is almost £13M with approx. £5.6M received this financial year. All projects forecast utilising Town Deal funding in FY 2023/24 except one, which is using its co/match-funding this financial year to progress preparation for delivery on-site.
- 4.2 The first Town Deal project was completed earlier this year, with a further three projects still on course to be completed this financial year (one less than reported in September). However, two projects are scheduled to finish in March 2024 and therefore any unforeseen or uncontrollable issues (for example bad weather, unexpected issues found on-site) could delay their completions until early FY 2024/25. Three further projects are expected to be delivered in FY 2024/25.

- 4.3 Submission of DLUHC's fourth mandatory Performance Report, covering the period between 1<sup>st</sup> April and 30<sup>th</sup> September 2023 is due by 4<sup>th</sup> December 2023. The Performance Report was approved for submission by the Delivery Sub-Group at its meeting on 22<sup>nd</sup> November. A copy of the Performance Report is available at Appendix A.
- 4.4 The overall delivery performance pattern is one of increasing delay but this is quite typical across other Town Deals (see National Audit Office Summary, Appendix B). For Loughborough, rising costs have been identified by project leads as the leading factor of delay. Above budget tender prices continue to prove challenging, requiring longer time periods to undertake and agree value engineering. While the need for project adjustment requests (PAR) has remained relatively low, an increased number is expected in the next six months. The current PAR process (updated in July) should enable more rapid, local decision-making on many proposed project changes, thereby reducing the risk of additional delay to implementation and delivery.

## 5. Projects Update

- 5.1 The 'Summary on a Page' (Exempt Appendix C) provides a synopsis of the progress and status of each Town Deal project. Brief descriptions of the projects' current progress are set out below for information:

5.2 **Careers and Enterprise Hub (Phase 2):**

Completion was achieved at the end of May and an official relaunch of the Hub took place in July.

5.3 **Bedford Square Gateway:**

All phases of the public realm works have been concluded but the project is in its snagging/defects period. 'Re-adoption' by the Highway Authority (Leicestershire County Council) and the final amount of Town Deal funding are now expected in March 2024.

5.4 **Taylor's Bellfoundry:**

The contractor remains confident that the Main Works programme and practical completion is on course for March/ April 2024. No substantive changes or value engineering has been undertaken.

5.5 **Digital Skills Hub:**

The tender price was substantially overbudget and the College has been analysing considering alternative delivery options, meaning commencement on-site has been delayed. The College is to provide an update to DSG.

5.6 **Riverside Regeneration:**

The final surfacing was delayed but completion has now been achieved.



- 5.7 **Generator:**  
DSG has 'in principle' approved alternative delivery arrangements, proposed in response to significantly overbudget tender returns for main contract works. This will enable completion by the end of FY 2024/25.
- 5.8 **Great Central Railway:**  
Completion of the project has been delayed by approx. 4 months primarily because of rising costs and the need to discharge of several planning conditions. Delivery of the proposed extension to the Locomotive Shed and project completion is expected in early summer 2024.
- 5.9 **Healthy and Innovative Loughborough:**  
Research staff are now in post and all component parts of the project have commenced. Component work packages are being completed and the project remains on track to be fully concluded by March 2026 as expected.
- 5.10 **Woodbrook Flood Scheme:**  
Increases in the engineering complexity and construction costs of the project are being encountered and options are being reviewed by the Environment Agency.
- 5.11 **Living Loughborough:**  
Short delays have been incurred but delivery activity is ramping up and several work packages are on course for completion by March 2024. Town Deal funding will be fully utilised by March 2025, although some project activities will run until March 2026 using co/ match funding.
- 5.12 **Lanes and Links:**  
The project as a whole remains on track for completion by March 2025 but the delivery and expenditure profiles of some activities have been adjusted in order to minimise disruption for users of Queen's Park and avoid abortive works being carried out.

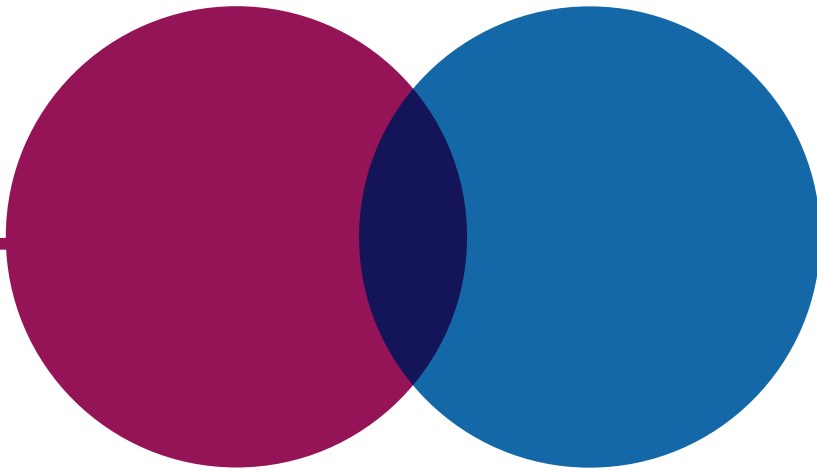
## APPENDICES

- APPENDIX A: EXEMPT ITEM - Draft Performance Report to DLUHC  
(Excel spreadsheet attached separately due to the level of information contained)
- APPENDIX B: National Audit Office Summary Report "Levelling up funding to local government"
- APPENDIX C: EXEMPT ITEM - 'Summary on a Page'



National Audit Office

APPENDIX B



REPORT

# Levelling up funding to local government

Department for Levelling Up, Housing & Communities (DLUHC)

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SESSION 2023-24  
17 NOVEMBER 2023  
HC 191

## 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.

## LOUGHBOROUGH TOWN DEAL BOARD

5TH DECEMBER 2023

### Item 6: Communications Update

#### 1. INTRODUCTION

1.1. This paper provides an update on communications activity surrounding the Town Deal.

2. **RECOMMENDATION:** That the Board notes the communications update and planned next steps.

#### 3. RECENT COMMUNICATIONS ACTIVITY

3.1. There has continued to be a period of communications activity to highlight Town Deal funding announcements and share information about the Town Deal.

##### Official opening of SportPark Pavilion 4



3.2. A press release was issued by the University following the official opening of SportPark Pavillion 4 on October 26. This was shared across Town Deal and CBC channels, achieving a reach of over 3,400. The universty published across its social media achieving over 30,000 impressions.

## Delivering the Deal Video



- 3.3. A video has been produced summarising the projects making up the Town Deal. It features drone footage plus, other video and images gathered over the past 18 months. The aim was to summarise the key aspects of each project and highlight the Town Deal investment. Eyecatching graphics and upbeat music were also added to emphasise the positive tone.
- 3.4. The video was published across Town Deal and CBC channels and partners were encouraged to share. Below are some social media metrics from those channels but, overall, the reach was over 10,000 across the channels with over 2,800 video views. The communications team will continue to use the content across platforms in the coming months.

Channel	Reach	Video Views	Engagement
LTD X	2966	544	8 shares, 9 likes
CBC X	628	N/A as RT	N/A
CBC LinkedIn	5,903	1,798	23, likes, 1 comment, 5 shares
CBC YouTube	N/A	308	2 likes, 1 comment
CBC FB	539	210	1 like, 3 comments

- 3.5. The video was also sent to 11,415 CBC email alert subscribers which received an open rate of 42% and 392 unique link clicks.

## Taylor and Co Bell Foundry project update

Funded by  
UK Government

LOUGHBOROUGH  
TOWN DEAL

Taylor's Bellfoundry in Loughborough - the UK's last major bell foundry - is being transformed thanks to a project being supported by Loughborough Town Deal and the Heritage Lottery Fund. The project will restore the historic Grade II\* building, make it more accessible, improve the museum to better explain the history of bells, repair the tuning shop and remove the foundry from the 'Heritage at risk register'. Work started earlier this year and we have got some pictures to update on progress.



Above - artist impressions of how the foundry will look.



The new look handbell room is already in place.



Space being converted for a boardroom, offices and meeting rooms. It was full of handbells!



New staff facilities to support the workforce and retain traditional skills.



A new exhibition space is being created which will chart the history of bells from the 14th century until modern times.



A new roof to keep the foundry dry - for the first time in a long time!



Space for the museum and shop, with stairs and a lift to the casting hall viewing platform and rooms above.



The extension which will be the new foundry entrance.



A new crane in place to help with the heavy lifting.

www.loughboroughtowndeal.co.uk

POWERED BY  
**LEVELLING UP**

3.6. Following a visit to the Bell Foundry, a graphic was produced containing images and information to update the public about progress. At the time of the report being produced, it had just started to be shared across CBC and Town Deal channels.

## 4. Social media

4.1 Existing content such as short videos about the projects has continued to be utilised. Below are some metrics from social media content published on Town Deal and Council channels since September 20.

Channel	Posts	Reach
LTD X	6	6,067
CBC X	4	3,219
CBC LinkedIn	2	7,465
CBC FB	2	1,022

## 5. Delivering the Deal Business Event

5.1 Plans for the business and public facing events to highlight the Town Deal projects continue to take shape.



5.2 Entitled Delivering the Deal, the business facing event is being planned for March 1, 2024 at SportPark 4. The venue has been chosen as it has received Town Deal funding and can practically accommodate an event of this nature at this time. The event is outlined in the points below.

### **Delivering the Deal Business Briefing Lunch – Event Format**

- March 1, 2024 at SportPark Pavilion 4, LUSEP
- Arrivals from 11.30am – networking and drinks
  - Stage with Town Deal branding back drop – either collateral or large screen (or both)
  - Banners around the room showcasing each individual project
  - Literature available to take away outlining Town Deal projects
- 12.30pm Speakers
  - LTD Chair welcomes guests, outlines Town Deal investment and projects
  - One project gives overview on progress/update (project TBC)
  - Speaker 3 – TBC or possibly use for a short interactive session with guests to get feedback on Loughborough/Charnwood – opportunities and challenges
- 1pm – networking and lunch
- Aiming for 70 – 100 guests (space for more)

### **Timeline**

- Mid December – Send out save the dates to selected guests including Town Deal Board / Officers / Business organisations / key contacts / regional business leaders
- January – consider promoting the event to open up to local businesses to attend with a restricted number of places.

## Draft Save the Date card



- 5.3 With regards to the public facing event, Loughborough Town Hall reception area is being considered due to its central location. The intention is to utilise some of the materials from the business facing event to make a display for the public to access. This will complement the ongoing communications across other channels. This event is planned for March but dates are still being finalised.

## 6. NEXT STEPS

Date	Project	Content
December 1	Canal Towpath	Official opening of the Loughborough Canal towpath following the completion of the project
December / January	All	Press release: Update of the Town Deal overall, the projects already completed, the level of investment already brought into Loughborough and brief updates on other projects which are underway
Jan / Feb	GCR	Update on project. The update will influence the channel ie possible press release or just digital
Jan-March	All	Continue to share videos / GIFs giving project overviews
March 1	All	Delivering the Deal Business Event

## **7. ISSUES**

- 7.1 There are no immediate comms or media issues. Longer term risks remain regarding the delivery of projects and any reputational impact, but all projects are progressing.
- 7.2 The CBC communications team continue to liaise and work with CBC colleagues and Town Deal project leads; therefore potential communications issues can be quickly highlighted and action taken.