



Unlocking the potential of new community funds

The pandemic has shown the urgent need for place-based approaches to rebuilding local economies and communities. Health services can play a significant role in local economic recovery by driving local projects and agendas for the benefit of population health and tackling health inequalities.

This briefing explores a range of new or remodelled funding mechanisms that will play an important role in the emergence of place-based projects. This funding will address issues that matter to economies and communities. It also presents an opportunity to closely integrate local growth planning with that of the health and care sector.

Key points

- During the 2021 Budget, the Chancellor announced a £1 billion investment covering 45 new Town Deals to drive long-term, local economic and productivity growth, building on the 101 towns allocated in 2020. Three new funds were also announced in March to support levelling up and community regeneration.
- The funding covers a range of areas, both capital and revenue, with areas of investment including: urban regeneration infrastructure; skills, enterprise and employment; growing local economies; and protecting community and cultural assets.
- Integrated care systems, integrated care partnerships, primary care networks and NHS organisations should be aware of the increased investment coming into their town or local area and play an active role in shaping investment priorities and project proposals.



- The £4.8 billion Levelling Up Fund will invest in high-value local infrastructure to 'level up' parts of the country with lower pay, work opportunities, health outcomes and life chances, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets.
- The £220 million Community Renewal Fund provides local areas with investment to level up and create employment opportunities in areas of the UK where they are most needed, and to support the transition from EU Structural Funds to the UK Shared Prosperity Fund in 2022.
- The £150 million Community Ownership Fund will be available from June 2021 to help ensure that communities in the UK can support and continue benefiting from the local facilities, community assets and amenities most important to them.
- These funds should be seen as an opportunity to collaborate around the planning and resourcing of public service provision across communities. We recommend that members engage with the lead local authority and/or community groups in the coming months, as appropriate.

Background

NHS organisations and local government have a key role to play in influencing and supporting the prioritisation of projects in ways which benefit population health. This briefing explains how four new community funds could support system partners to find local solutions to post-pandemic recovery.

The relationship between health and wealth is [well established](#). Despite this, the role of health in economic development has been peripheral at best. At the NHS Confederation, we have sought to reframe this relationship by arguing that [health is the 'new wealth'](#) and highlighted the role of health services in local economic and social development. Such framing will become an increasingly prominent part of national and local recovery and rebuilding after the COVID-19 pandemic, as public service planning and delivery are transformed to meet local needs. Health services have a vital role to play in the wider recovery and rebuilding of local economies and communities – driving up prosperity, population health and wellbeing.

As partners within the system grapple with their new competencies within the new system architecture, place has become an important unit of change. Networks of organisations, cognisant of the increasingly central role of place, are harnessing the power of place-based leadership by coming together as [anchor institutions](#) to enhance support for the wider health and prosperity of their communities.

We are supporting NHS organisations to understand and maximise their role as anchor institutions – working in partnership with other NHS organisations and local anchors to maximise the economic and social value their organisations can bring. To address the complex roots of the health inequalities COVID-19 has spotlighted, organisations will need to be enabled to work together as partners at place, drawing on the local assets and organisations.

The funds

The government's Levelling Up agenda recognises the significant regional disparities within and across the UK and has precipitated a variety of new approaches to policy, funding and direct support. This briefing explores in particular a range of new or remodelled funding mechanisms that will play an important role in the emergence of place-based projects. This funding will address issues that matter to economies and communities and presents an opportunity to closely integrate local growth planning with that of the health and care sector.

The nature of these programmes mean they are locally led and locally delivered. We recommend NHS leaders seek to understand whether their place is listed as a potential recipient of this funding.

The funding covers a range of areas, including both capital and revenue. The areas of investment cover issues that matter to economies and communities, including: urban regeneration infrastructure; skills, enterprise and employment; growing local economies; and protecting community and cultural assets.

Integrated care systems, integrated care partnerships, primary care networks and NHS organisations should be aware of the increased investment coming into their town or local area and play an active role in shaping investment priorities and project proposals. In particular, this represents a clear opportunity to align place-based planning in the areas of population health and prevention, skills and workforce, innovation, and estates and infrastructure.

These funds will be of interest to leaders from NHS organisations and local government, as they provide a means through which to play a role in influencing and supporting the prioritisation of projects in ways which benefit population health.

Town Deals and the Towns Fund

The Prime Minister launched the [Towns Fund](#) in September 2019, committing £3.6 billion of funding to drive long-term local economic and productivity growth. This was followed by a Towns Fund [prospectus](#) in November 2019, which set out the two-stage process for developing Town Deals in 101 selected towns across England. In March, the Chancellor's 2021 Budget pledged a further £1 billion from the Towns Fund for [45 more Town Deals](#).

Purpose of the fund

Town Deals bring together public, private and third sector leaders to develop locally-owned investment priorities and project proposals. This funding will address issues that matter to economies and communities and presents an opportunity to closely integrate local growth planning with that of the health and care sector.

In the 2020 Spending Review, the Chancellor announced a fund which would focus on capital investment in local infrastructure – building on and consolidating prior programmes, such as the Towns Fund.

The objective of the fund is to drive the economic regeneration of towns to deliver long-term economic and productivity growth through:

- **Urban regeneration, planning and land use:** Ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets, including local cultural assets, site acquisition, remediation, preparation and regeneration; and making full use of planning tools to bring strategic direction and change.

- **Skills and enterprise infrastructure:** Driving private sector investment and ensuring towns have the space to support skills and small business development.
- **Connectivity:** Developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity.



Learn more about the [purpose of the Towns Fund and the allocations for the first round of applications](#).

The government published [further guidance](#) on the second stage of preparation towns should undertake to prepare for a Town Deal in June 2020, including around interventions in scope, the roles of different stakeholders throughout the process and implementation of Town Deals.

The government recently published guidance on the [Towns Fund selection process](#) for the Accounting Officer.



Eligibility

For a list of the 45 towns selected for 2021 and the initial capacity funding they will receive, see Annex on pages 14 to 15. Read our [member briefing](#) to find out which 101 towns were selected in the initial round of funding.

Levelling Up Fund

The £4.8 billion [Levelling Up Fund](#) will invest in infrastructure, including regenerating town centres and high streets, upgrading local transport and investing in cultural and heritage assets up until 2024/25.

Purpose of the fund

Local communities and the links between them across the UK are fundamental parts of our shared economy, culture and society, but economic disparities across different areas of the UK threaten to leave certain regions behind in terms of people's pay, work opportunities, health outcomes and life chances. The Levelling Up Fund aims to 'level up' regions of the UK to address these disparities.

The initiative brings together the Department for Transport, the Ministry for Housing, Communities and Local Government and the Treasury to invest £4.8 billion in high-value local infrastructure. The aim of the fund is to allow local areas to focus on their highest priorities for their communities rather than shaping projects to fit narrowly defined pots of funding.

The fund recognises that the most impactful infrastructure projects – those that help bring pride to a local area – are often smaller in scale and geography. Such investments will be crucial as the UK recovers from the huge economic impacts of COVID-19 and looks towards new ways of living and working which bring communities together. The fund will therefore invest in high-value local investment priorities, such as local transport schemes, urban regeneration projects and cultural assets.



Eligibility

In March 2021, the government published a Levelling Up [prospectus](#) which sets out how local areas can access the first round of funding. Priority will be given to bids that can demonstrate investment or begin delivery on the ground in the coming financial year.

While the fund is open to every local area, it is targeted to support investment in places where it can make the biggest difference to everyday life, such as ex-industrial areas, deprived towns and coastal communities.

In England, Scotland and Wales, funding will be delivered through local authorities. The Scottish and Welsh territorial offices will be consulted in the assessment of relevant bids.

Capacity funding will be allocated to local authorities most in need of levelling up in England, as identified in the [index](#) published alongside the [prospectus](#). It will also be allocated to all local authorities in Scotland and Wales. The index is based on a combination of metrics, including need for economic recovery and growth, need for improved transport connectivity and need for regeneration.

In Great Britain, the following public bodies are eligible to apply for the fund:

- Unitary authorities (including metropolitan borough councils), London borough councils and district councils in two tier areas in England; and, unitary authorities in Scotland and Wales are eligible to submit at least one bids, or as many bids as there are MPs whose constituency lies wholly within their boundary.
- County councils with transport powers, combined authorities, mayoral combined authorities and the Greater London Authority are eligible to submit one transport bid; and unitary authorities in Scotland and Wales, and unitary authorities in England with transport powers are able to submit one additional bid which must be for transport.

All bids should have the approval of the relevant authority responsible for delivering them. Moreover, the government expects bidding authorities to consult local MPs as part of their bid, but lack of MP support will not prevent a bid from being successful. Further details on eligibility can be found in chapters three and four of the [prospectus](#).

The delivery approach in Northern Ireland will be different, taking into account the different local government landscape compared to England, Scotland and Wales. Capacity funding will also be made available. Further details can be found in the [prospectus](#).

The first round of the fund will focus on three themes: smaller transport projects that make a genuine difference to local areas; town centre and high street regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets. Further details can be found in chapter four of the [prospectus](#).

Funds available for local regeneration include the ability to put forward Town Deals for individual or groups of smaller towns that did not receive investment from the Towns Fund.



Amount available

The fund will focus investment on projects that require up to £20 million of funding. However, bids will be accepted for larger transport schemes, by exception, such as investments in the road network. Such bids will need to be between £20 million and below £50 million, and can be submitted by any bidding local authority. They will be subject to a more detailed business case process and will need to score highly overall.

Of the £4.8 billion available over the next four years, at least £800 million has been designated for Scotland, Wales and Northern Ireland.



Deadline

To apply for **investment from the first round of the Levelling Up Fund**, eligible local institutions must submit their bids to the Ministry of Housing, Communities and Local Government by **12pm on Friday 18 June 2021**.

Majority-transport bids will be assessed by the Department for Transport. Bids may also be submitted before this date. It is expected that investment decisions will be made by the UK Government for this funding round by autumn 2021.

Chapter five of the Levelling Up [prospectus](#) provides further information on the government's targeting approach, and chapters seven and eight lay out the criteria for assessing bids.

Chapter six provides further advice on putting together proposals. The government will provide local authorities with further guidance and templates for bid submissions, including package bids.

Community Renewal Fund

The UK Shared Prosperity Fund will be launched in 2022 to replace EU Structural Funds. The new fund will reach on average around £1.5 billion a year throughout the UK and will play a part in uniting and levelling up the whole country.

The fund aims to increase investment in projects that support people and places across the UK, focused on domestic priorities, growing local economies and invigorating communities. To assist local communities in doing this, in March 2021 the government launched the [UK Community Renewal Fund](#) for 2021/22 – an additional £220 million of investment to support levelling up and community development and regeneration.

Purpose of the fund

The government has a responsibility to support people, jobs and communities to recover from the COVID-19 pandemic. The Community Renewal Fund will support local areas across the UK with access to £220 million of additional funding to help in the transition away from EU Structural Funds and towards the UK Shared Prosperity Fund.

Through piloting new approaches and through provision of capacity funding, local areas will be prepared for the UK Shared Prosperity Fund when it launches in 2022. The Community Renewal Fund will support communities to level up and create opportunity in parts of the UK where this is most needed through investment in skills, enterprise and employment in a way that will be complementary to the Levelling Up Fund.



Eligibility

The UK Community Renewal Fund will be a competitive process with no pre-set eligibility. In Great Britain, to level up and create opportunity across the UK for people and places, the government has identified 100 priority places based on an index of economic resilience.

Priority will be given to projects that target investment at communities in need, especially at the [top 100 priority places](#).

A lead authority has been assigned for each place. These are:

- mayoral combined authorities, where they exist in England
- the Greater London Authority
- county councils
- unitary authorities elsewhere in England and in Scotland and Wales.

Lead authorities should invite project proposals from a range of local applicants, including local district councils, voluntary and community sector organisations and local education providers, including universities. Lead authorities should then appraise these projects and produce a shortlist of projects up to a maximum of £3 million per place for submission to UK Government.

The lead authority of each of the 100 priority places will receive capacity funding to help them with this bid coordination and appraisal.

Delivery of the UK Community Renewal Fund will be different in Northern Ireland, taking into account the different local government landscape in Northern Ireland compared to Great Britain. There will be a pre-determined national allocation for Northern Ireland, set at £11 million.



See [section four of the Community Renewal Fund Prospectus](#) for further information on the investment process and selection criteria for all places as well as this [methodological note](#) on how the index was developed.



Amount available

In Great Britain, the maximum each locality can be allocated is £3 million. Projects will need to align with one, or deliver across several, of the below investment priorities:

- investment in skills
- investment for local business
- investment in communities and place
- supporting people into employment.

Section three of the [prospectus](#) sets out further detail on the fund's investment priorities. Ninety per cent of funding available through the UK Community Renewal Fund is revenue funding, with a small amount for capacity funding.

Through the UK Community Renewal Fund, up to £14 million capacity funding will be available to support places to develop their capabilities to maximise the benefits of local investment, including:

- Up to £2 million in total for bid coordination and appraisal as part of the UK Community Renewal Fund, available to the lead authorities of each of the 100 priority places, to help them coordinate and appraise bids. Each lead authority will receive £20,000 per priority place.
- Up to £14 million capacity funding to support with preparation for the UK Shared Prosperity Fund, available to local partners in Great Britain later in the year. In Northern Ireland, we will also provide capacity funding to partners such as sector groups and key stakeholders. Details on eligibility for this capacity funding, and the funding itself, will be released later this year.

Further details on capacity funding can be found in section 4.4 of the [prospectus](#).

The UK Government will select projects in line with the selection criteria set out in section six.



Deadline

The lead authority should submit their project shortlist to the Ministry of Housing, Communities and Local Government by **12pm on Friday 18 June 2021**.

Timeline

18 June 2021

- **Lead authorities in Great Britain submit shortlists** of projects to UK Government for assessment.
- **Applicants in Northern Ireland submit their bids** to UK Government for appraisal and assessment.
- From 18 June and throughout July, **UK Government assesses bids**.

Late July 2021 onwards

- **UK Government announces successful projects** for the UK Community Renewal Fund.

Community Ownership Fund

In March 2021, the government launched the £150 million [Community Ownership Fund](#) to help ensure that communities in the UK can support and continue benefiting from the local facilities, community assets and amenities most important to them. Further information on this fund will be made available in June 2021, but key information is outlined below.



Eligibility

Community groups will be able to bid for up to £250,000 matched-funding to help them buy or take over local community assets at risk of being lost, to run as community-owned businesses. The fund will empower communities to protect vital community assets in their area by providing funding to take ownership over them, in support of the social wellbeing of local communities.

The UK Government will not publish a definitive list of eligible assets, as it is important for communities to set out what matters most to them. But projects could include community-owned sports clubs, sporting and leisure facilities, cinemas and theatres, music venues, museums, galleries, parks, pubs, post office buildings and shops.

Bids will be accepted from all communities across the UK. In most circumstances, bids should be made from community and voluntary organisations with formal governance in place, such as a community trust. Local authorities, including parish councils, will not be eligible to bid. Parish councils may play a role in working with community groups looking to submit a bid.



Timeline

The first bidding round for the Community Ownership Fund will open **by June 2021**. In most cases, bids will be able to make the case for up to £250,000 matching funds which communities have raised. Recognising the range of costs associated with purchasing assets associated with sports, exceptionally bidders will be able to make the case for up to £1 million match-funding for these types of project.

A full bidding [prospectus](#) will be published alongside this, including detailed guidance on eligibility criteria, how bids will be assessed and weighted, and how to develop a strong bid.

The role for integrated care systems and the wider NHS

The government's focus on levelling up should be welcomed by the NHS. Many of the health challenges NHS organisations in the selected places face are directly related to the local economic and social environment. There is certainly a role for NHS trusts as anchor institutions to engage in the range of funding programmes, but the sector's input into local investment plans could have a wider focus – linking in with system and place plans for population health and prevention, skills and workforce, innovation, and estates and infrastructure.

These funds should be seen as an opportunity to collaborate around the planning and resourcing of public service provision across communities. We recommend that members engage with the lead local authority and/or community groups in the coming months, as appropriate.



More information

To discuss any of the funds detailed above in more detail, or for assistance in approaching local partners, please contact Michael Wood, head of health economic partnerships at michael.wood@nhsconfed.org or [@NHSLocalGrowth](https://twitter.com/NHSLocalGrowth).

Annex: Additional Town Deals

Town	Offer
Bolton	£22.9m
Boston	£21.9m
Bournemouth	£21.7m
Burton-upon-Trent	£22.8m
Carlisle	£19.7m
Castleford	£23.9m
Cheadle	£13.9m
Clay Cross	£24.1m
Colchester	£18.2m
Crawley	£21.1m
Goldthorpe	£23.1m
Great Yarmouth	£20.1m
Grimsby	£20.9m
Ipswich	£25m
Kidsgrove	£16.9m
Leyland	£25m
Lincoln	£19m
Lowestoft	£24.9m
Mablethorpe	£23.9m
Mansfield	£12.3m
Margate	£22.2m
Middlesbrough	£21.9m
Milton Keynes	£22.7m
Morley	£24.3m
Newark	£25m
Northampton	£25m

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Town	Offer
Nuneaton	£23.2m
Preston	£19.9m
Rochdale	£23.6m
Rowley Regis	£19m
Scarborough	£20.2m
Scunthorpe	£20.9m
Skegness	£24.5m
Smethwick	£23.5m
Southport	£37.5m
Staveley (Derbyshire)	£25.2m
Stevenage	£37.5m
Stocksbridge	£24.1m
Swindon	£19.5m
Thornaby-on-Tees	£23.9m
Wakefield	£24.9m
West Bromwich	£25m
Whitby	£17.1m
Wolverhampton	£25m
Workington	£23.1m

About the NHS Confederation

The NHS Confederation is the membership body brings together and speaks on behalf of organisations that plan, commission and provide NHS services in England, Northern Ireland and Wales. We represent hospitals, community and mental health providers, ambulance trusts, primary care networks and federations, clinical commissioning groups and integrated care systems.

To find out more, visit www.nhsconfed.org and follow us on Twitter [@NHSConfed](https://twitter.com/NHSConfed)



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