



enterprise**m3**

Delivering prosperity through innovation

LEVELLING UP FUND

Kathy Slack - Chief Executive

LEVELLING UP FUND – WHAT IS IT ?

- £4.8 billion Fund for UK over next 4 years (up to 2024-25) to improve local communities by investing in local infrastructure that has a visible impact on people.
- Focus on :
 - Town centre and high street regeneration, including remediation and repurposing of vacant and brownfield sites;
 - Improving local transport connectivity and infrastructure, including upgrades to local bus, road and cycle infrastructure; and
 - Maintaining and regenerating cultural, heritage and civic assets.



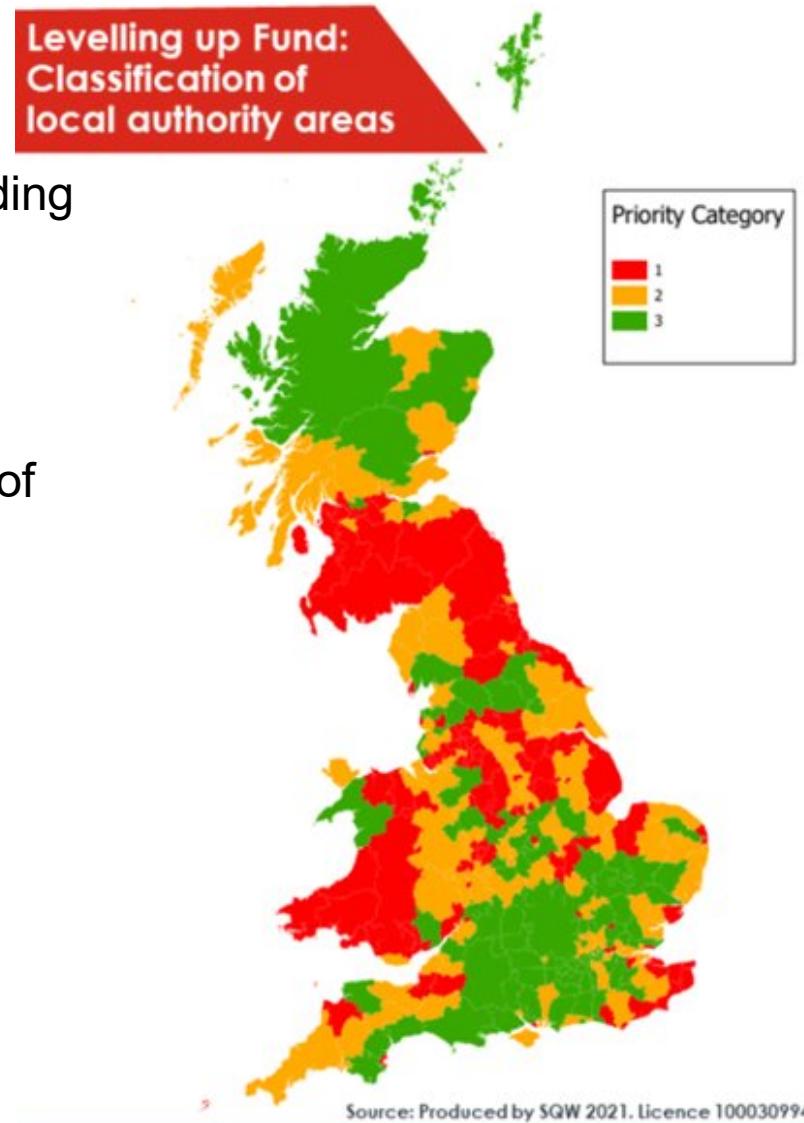
LEVELLING UP FUND – WHO CAN APPLY ?



- ❖ Managed by HM Treasury, MHCLG & DoT
- ❖ Open to Local Authorities to bid
- ❖ Joint bids by neighbouring authorities are encouraged
- ❖ Local MPs to back one bid as priority for area
- ❖ Bids of up to a maximum £20 million
- ❖ Transport bids of up to £50 million - by exception

LEVELLING UP FUND – WHO WILL GET IT ?

- Local Authorities have been divided into categories 1,2 or 3, depending on their level of need, category 1 is places most in need.
- Preference will be given to bids from higher priority areas,
- But Government says, the bandings **are not** eligibility criteria.
- Bids from places in all categories will be considered on their merits of deliverability, value for money and strategic fit, and could still be successful if they are of high enough quality.
- Local authorities in EM3 LEP area mostly Category 3.
- Only one area in Category 2 - East Hampshire.





LEVELLING UP FUND - THE CASE FOR THE EM3 AREA

EM3 relatively prosperous area but,

- There is evidence of high levels of deprivation in small pockets in area.
- Barriers to housing services is a particular need.
- Education & Skills and Living Environment also demonstrate need.



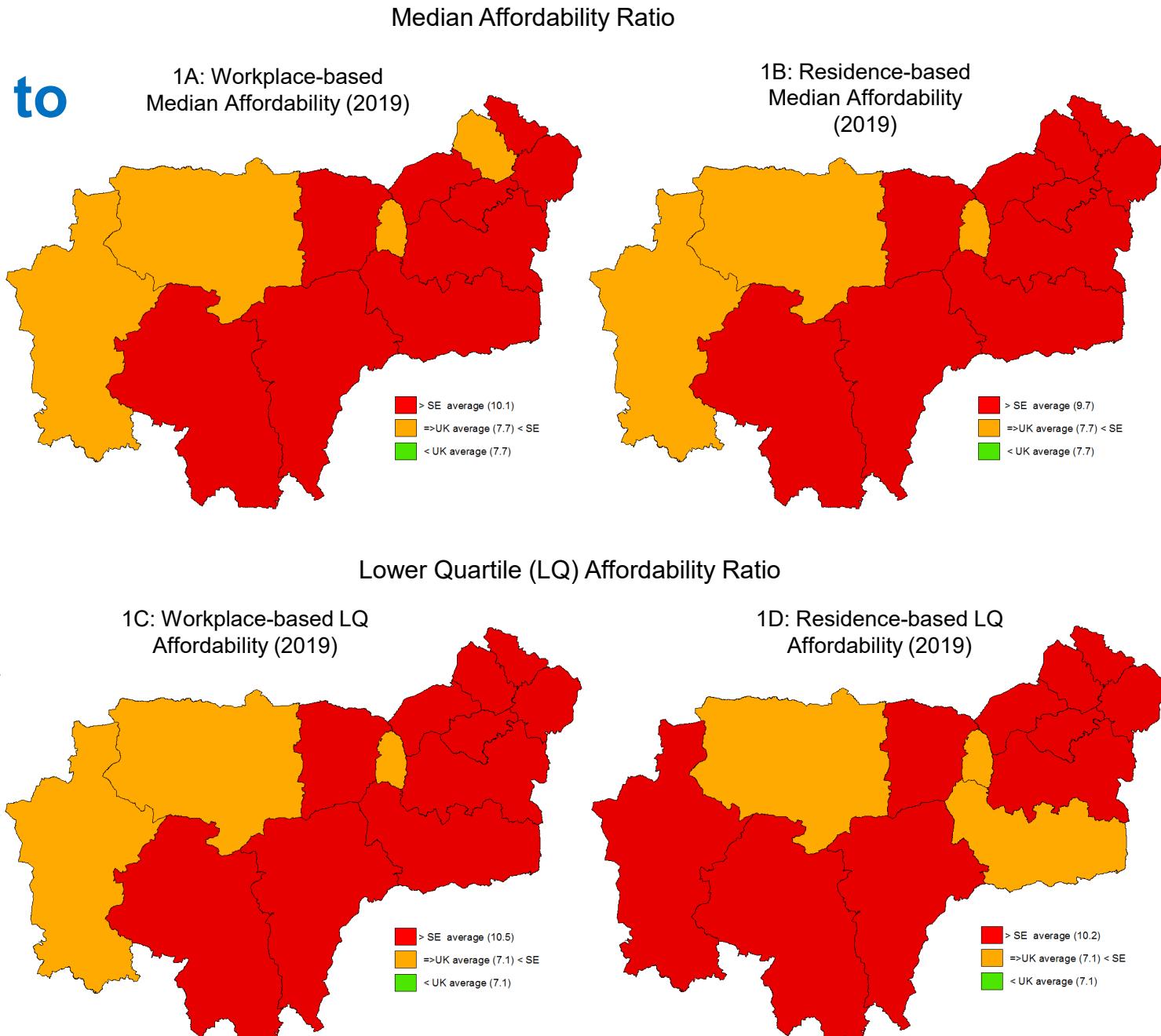
Deprivation 2019 Summary

- EM3 is a relatively prosperous area with low levels of place-based deprivation based on the overall Index of Multiple Deprivation (IMD).
- Hart is the least deprived district in England on the IMD measure.
- However, **high levels of localised deprivation exist in small pockets across five of the EM3 districts**,
Rushmoor (3)
Guildford (2)
Basingstoke & Deane, Test Valley, and Woking (1 LSOA in each)
- **One domain of deprivation is present across all 13 EM3 districts – Barriers to housing and services.**
- **Several districts are above national and South East region on barriers to housing and services:** Runnymede, Spelthorne, Test Valley, Basingstoke & Deane, and Winchester.
- **Two more domains are well represented across over half of all districts – Education & Skills, and Living Environment.**

Source: MHCLG (2019)

Housing Affordability - Affordability Ratio Relative to National & South East

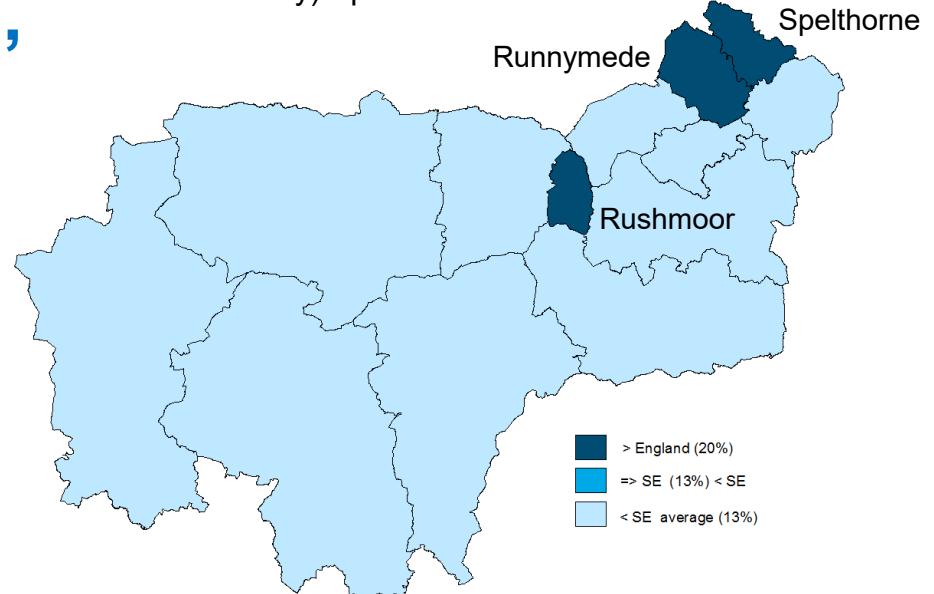
- Workers and residents in the EM3 area would need over 11 times their gross median earnings to afford the average priced house**, making the EM3 considerably less affordable against the national average and marginally less to the South East.
- All 13 EM3 districts less affordable than the national average, almost all exceed the South East average.** Least affordable areas have median house prices approaching 16 times median earnings (workplace) and 14 times for residence-based.
- Housing affordability is more challenging for those on lower incomes. **Workers in the EM3 area in the lower quartile** (EM3 less affordable against the national average and marginally less affordable to the South East. The ratio is marginally below 12 times taking residence-based earnings.



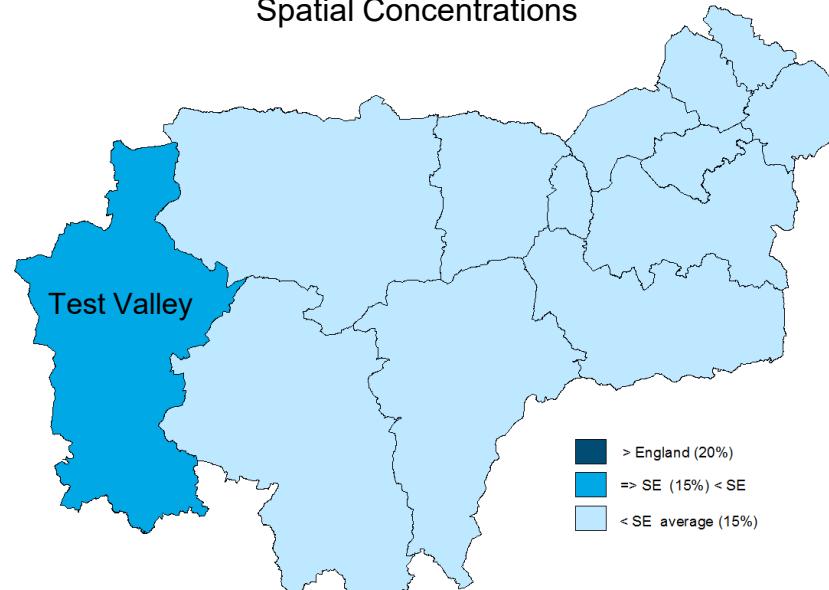
Housing based Deprivation (Access, Affordability, Quality)

- On the **Wider-barriers deprivation measure** 52 Lower Super Output Area (LSOA)*, or **6% of all EM3 areas, fall within the 20% most deprived areas in England**. This compares to 13% for the South East average and 20% nationally.
- However, three EM3 districts are above the national and South East averages:** Spelthorne (32% of all areas), Runnymede (23%), and Rushmoor (22%).
- On **Quality of Housing deprivation measure** the aggregated number (46) and percentage (5%) of LSOAs in the EM3 that fall within the 20% most deprived areas in England **is well below the national (20%) and South East region (19%) averages**.
- However, Test Valley (20%) is comparable to the national average and marginally above the South East average.**
- Several other areas are **above the EM3 average**: Winchester, Basingstoke & Deane, and East Hampshire (7%). This would suggest any levelling up on the quality of housing might focus on these areas.

Wider Barriers Deprivation (Housing Access & Affordability) Spatial Concentrations



Indoors Deprivation (Quality of Housing) Spatial Concentrations

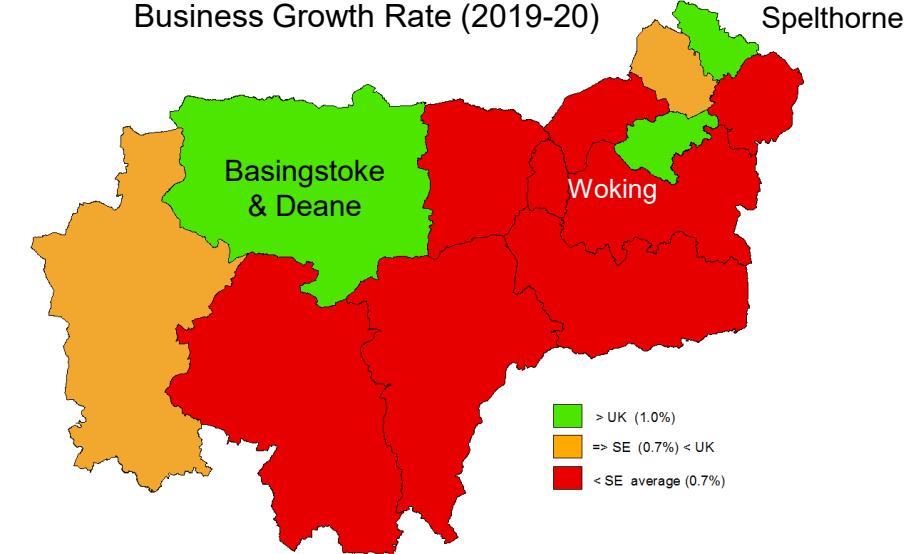


*Lower Super Output Areas (LSOA). Census based geographies defined by a population (1,000-3,000 residents) and household (400-1,200) thresholds.

Business Base - Slow down in growth

- The latest business numbers do not reflect the current impact of the pandemic (**data snapshot 13 March 2020**). **EM3 area has 91,870 local business units in 2020; 300 more than 2019 and 1,505 more than 2018.** However, **growth rates slowed** in the first quarter from 1.7% in 2018-19 to just 0.3% between 2019-20.
- Based on the slowdown in 2020, growth in 2020-21 is likely to see a sharp fall when government support is withdrawn, especially in hospitality, retail and the arts.
- By broad sector, the **largest fall in business numbers was in higher value-added services; professional, technical & scientific services** (-300, -1.6%), **and information & communication** (-205, -1.9%). The **two sectors accounted for 71% of lost businesses** in the Em3 area. A further 11% of lost businesses were in manufacturing (-80, -2.3% largest relative decrease).
- Retail grew by 360 businesses on 2019 (+4.8%), outperforming the national and South East averages**, accounting for over one third (35%) of all new EM3 businesses in 2020. Despite robust online sales, retail overall in 2020 saw the largest year-on-year fall in sales on record. There was also strong growth in construction and **Transport & storage (highest growth rate (5.0%))**, although both sectors saw slower growth than the national and South East averages.
- Micro and small businesses saw growth in 2020; medium and large business numbers down** on the previous year. Sectors and micro-businesses that saw growth in the year to March 2020 likely to see a sharp fall as a result of the pandemic, whilst it is likely that higher value-added services (and ICT in particular) will see a recovery.

Business Growth Rate (2019-20)



Business Growth By Sector (2019-20)

