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# Levelling Up capital projects: accounting officer assessment (November 2023)

Updated 6 March 2024

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# Background and context

HMT has confirmed that up to £37.5 million will be available to fund a small number of levelling up investments across Great Britain. Ministers have decided to allocate this funding to 5 unfunded high-scoring, low-cost LUF bids. This is similar to our approach of investing in the 3 near-miss levelling up capital projects at Spring Budget 2023.

## Assessment against the accounting officer standards

### a. Regularity

There are no regularity concerns because the department holds the powers to issue grants to local authorities through use of the financial assistance powers in the UKIM Act 2020 (Section 50) to make the funding available to the whole of the UK.

An Equalities Impact Assessment (EQIA) and Environmental Impacts Assessment (EIA) was undertaken and submitted to Ministers for consideration prior to decisions being finalised.

Funding awards will be provisional subject to further checks on subsidy control.

### Overall assessment

My assessment is that the regularity test is satisfied.

### b. Propriety

Criteria were applied to the LUF round 2 shortlist to drive the selection of bids for funding at Autumn Statement. These were as follows;

- to maximise the spread of investment within the budget available, only projects that scored 74.25 and above were considered, mirroring the scoring threshold applied in round 3 of the Levelling Up Fund (LUF)
- due to the limited budget, and in order to spread funding geographically, only bids that cost under £10 million were considered

- bids were then capped at 1 project per local authority and places with funding in LUF rounds 2 and 3 were excluded; and
- bids from London were excluded on the basis that the region has historically attracted considerably more public investment relative to other English regions when looking at the published Public Expenditure Statistical Analyses (PESA) data

Having applied these criteria, the 5 remaining bids were then selected. This decision saw just over £37.5 million invested in 5 places in 5 regions across England and Wales. These are listed at Annex A.

Due to data availability calculations were based on local government boundaries as of 2022. Eden was the identified local authority which was abolished and succeeded by the new Westmorland and Furness Council which was established on 1 April 2023.

### **Overall assessment**

My assessment is that the propriety test is satisfied.

## **c. Value for Money**

Bids submitted at the second round of LUF had already been rigorously assessed against the published LUF assessment framework. This included a value for money assessment. Based on assessment at round two, the average value-for-money of this selection of projects is 'Medium'.

Bids were assessed over a year ago, and it is possible that changes to projects have resulted in changes to value for money. We will work with the local authorities to confirm each project on a case-by-case basis during validation and subsequent stages to ensure that any changes are within an acceptable threshold, (in line with the [Project Adjustment Request process \(https://www.gov.uk/guidance/project-adjustment-request-par-changes-town-deals-levelling-up-and-future-high-street-funds\)](https://www.gov.uk/guidance/project-adjustment-request-par-changes-town-deals-levelling-up-and-future-high-street-funds)) and that they can meet the required standards on value for money.

To further safeguard value for money, reporting and evaluation requirements placed on grant recipients will help monitor delivery of expected outputs and outcomes. Further details on this are set out in the published [LUF monitoring and evaluation strategy \(https://www.gov.uk/government/publications/levelling-up-fund-monitoring-and-evaluation-strategy/levelling-up-fund-monitoring-and-evaluation-strategy\)](https://www.gov.uk/government/publications/levelling-up-fund-monitoring-and-evaluation-strategy/levelling-up-fund-monitoring-and-evaluation-strategy).

### **Overall assessment**

My assessment is that the value for money test is satisfied.

## **d. Feasibility**

Bids submitted to the second round had already been rigorously assessed against the published LUF assessment framework. This included a deliverability assessment. All bids selected for funding have met a minimum score of 74.25/100 in England and Wales.

Bids were assessed over a year ago, and it is possible that changes to projects have resulted in changes to deliverability. We will work with the local authorities to confirm each project on a case-by-case basis during the validation and subsequent stages to ensure that any changes are within an acceptable threshold (in line with the Project Adjustment Request process for rounds 1 and 2) and that they can meet the minimum standards on deliverability.

The funding window for the programme ends in financial year 2025/2026. This will encourage delivery to commence quickly but may also prove challenging for some local authorities. To ensure delivery happens within this window, my department will work closely with those local authorities who are at an earlier stage of readiness to deliver or need to make proportionate adjustments to their projects.

My department will oversee the delivery of projects under our established LUF delivery framework, including robust monitoring in place to oversee the delivery of projects, coupled with risk-based performance management arrangements.

### **Overall assessment**

My assessment is that the feasibility test is satisfied.

## **Conclusion**

The above represents a summary of the key points which informed my decision. If any of these factors materially change during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them.

This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

**Sarah Healey**

22 November 2023

# Annex A: List of capital projects funded at Autumn Statement

Local Authority	Bid Name	Bid Value (£)
Isles of Scilly	Isles of Scilly Museum and Cultural Centre	£6,000,000
Warrington	Warrington North - Reconnecting the settlements	£9,356,343
Monmouthshire Sir Fynwy	Chepstow Transport Hub and Connectivity Improvements	£5,227,320
North Norfolk	Fakenham Leisure and Sports Hub	£9,856,277
Eden (now Westmorland and Furness Council)	Inspiring Eden Enterprise Hub - achieving rural excellence	£7,090,000

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