

Report to Leader

Subject: UK Shared Prosperity Fund

Date: 28 July 2022

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Wards Affected

All wards

Purpose

To seek the Leader's approval to submit the UK Shared Prosperity Fund Investment Plan (UKSPF Investment Plan) to the Department for Levelling Up, Communities and Housing (DLUCH) for their approval to access the Council's £2,866,555 allocation and to seek approval in principal to the content of the Investment Plan recognising that there are further approvals required should the bid be successful.

Key Decision

This is not a Key Decision.

Recommendation(s)

That the Leader of the Council:

- i) Note the content of the Report.
- ii) Approves the submission of the UK Shared Prosperity Fund (SPF) Investment Plan to the Department for Levelling Up, Communities and Housing (DLUCH)
- iii) Agrees in principle to proposals in the bid, subject to any future approvals being obtained should the Investment Plan be approved.

1 BACKGROUND

1.1 In April 2022 the DLUHC launched a funding programme of £2.6b, the UK Shared Prosperity Fund (the Fund) to support local investment. This funding is allocated via a funding formula rather than competitive bid. The DLUHC have adopted a

“blended approach” to allocate funding in order to ensure that all places get an allocation that allow for significant continuity with EU structural funds. 70% is allocated on a per capita basis within each region based on Local Authority population size and 30% of the allocation uses the needs based index previously used to identify UK Community Renewal Fund Priority places including:

- Productivity
- Household income
- Skills

1.2 To secure the award the Council, as lead local authority, has worked with local partners to develop and deliver a UK SPF Investment Plan that achieves the Fund outcomes in the area. The partners are to provide advice on strategic fit and deliverability on the Investment Plan to ensure that investments complement other activities in the area and meets local and the Fund objectives.

1.3 To access the funding, the lead local authority is expected to convene a Local Partnership Group (LPG) and to ensure that the panel is fully representative and its terms of reference meet the Fund’s needs. The suggested partners including:

- Representatives from the lead authority including neighbouring authorities
- Local investors and businesses
- Business support providers
- Local partnership boards representatives
- Regional representatives
- Prominent local community and faith organisations
- Voluntary sector representatives
- Rural representatives
- Education and Skills providers
- Employment experts
- Nature, environmental representatives
- Public Health representatives
- Police and Crime representatives
- Members of Parliament

1.4 The Members of Parliament are expected to provide an advisory role to lead local authorities, reviewing the investment plan prior to submission to the UK government for sign off. The Investment Plan is to include details of the MPs involved in the local partnership group and whether they are supportive of the final plan submitted.

1.5 The primary goal of the UK SPF is to build pride in place and increase life chances across the UK. This aligns with Levelling up White Paper missions, particularly Mission 9:

'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'

The UKSPF succeeds the old EU structural funds such as ERDF.

1.6 The Borough of Gedling is currently included within the geographical area of a number of programmes that will cease as EU funding is withdrawn. The full list of these programmes is still being confirmed. When developing the UK SPF Investment Plan consideration has been given to whether these programmes should continue through new arrangements or whether the borough would benefit from different range of programmes delivered collaboratively with other local authorities or focused specifically on the borough. Such decisions have considered the developing devolution proposals. It should be noted that UK SPF strongly encourages lead authorities to work collaboratively with other districts, county or unitary authorities to agree and commission people and skills activity or business support activity over a larger scale to reflect the full local labour market and/or business based.

1.7 The UK SPF identifies 3 local priorities:

- Communities and place
- Support for local businesses
- People and skills (funding is for 2024/25 only*)

These priority areas include a 41 interventions e.g. E1 funding improvement to town centres and high streets that provide a framework by which local authorities together with partners can prioritise investment to meet the needs of their areas. Lead authorities have set out the interventions, objectives, outputs and outcomes in the Investment Plan and secure the support of local partners.

Guidance on these can be found at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1068875/UKSPF_England_Outputs_and_Outcomes.pdf

1.8 Although match funding is not a requirement and will not form part of the investment plan assessment all lead authorities are encouraged to consider match funding from private, public and third sectors and leverage options when supporting communities and place and supporting local business interventions.

1.9 The UK SPF provides in Year 1, an allocation of £20,000 to undertake initial preparatory work including developing a local investment plan for submission. This is in addition to each places allocation and will be released subject to sign off of the Investment Plan. The fund also allows for local authorities to use 4% to support the administration and management of the fund to include project assessment, contracting, monitoring and evaluation as well as on going

stakeholder engagement. Also as part of the Investment Plan lead authorities are to provide information relating to in house capacity including “experience and capability” which could be met by the allocation.

1.10 Gedling Borough Council has been awarded £2.867m funding for the 3 year period 2022/23 – 2024/25. To release this funding the Council must ensure that the Investment Plan is submitted to the DLUHC by **Monday 1 August 2022**.

1.11 The UK SPF includes a minimum capital spend of 10% Yr1, 13% Yr2, 20% Yr3 and the profile of the allocation is illustrated in the table below.

Year	Allocation £	Core Capital £	Core Revenue £	Management 4% Revenue	Net Revenue £
2022/23	347,883	34,788	313,095	12,524	300,571
2023/24	695,766	90,450	605,316	24,213	581,104
2024/25	1,822,906	364,581	1,458,325	58,333	1,399,992
Total	2,866,555	489,819	2,376,736	95,069	2,281,667

The £20,000 for preparatory work is a separate allocation that will be released upon the successful submission of the Investment Plan.

1.12 Lead authorities will be paid annually in advance. In 2022/23 funding will be paid once the local investment plan has been signed off by DLUHC. In 2023/24 and 2024/25 it will be paid at the start of the financial year. The lead authority will receive a grant determination letter and Memorandum of Understanding setting out Fund requirements and obligations. Lead authorities will be expected to return underspends at the end of each financial year, however in Yr1 and Yr2 there is anticipated to be flexibility. Although the monitoring of the fund is anticipated to be light touch the guidance states there is an expectation that the Funds investment and outputs are achieved in line with the investment plan, on time and in year. The DLUHC reserving the right to withhold or delay payment and alter payment cycles from 2023/24 onwards where there are performance or other issues.

1.13 Lead authorities are expected to respond within the UK SPF Investment Plan to a number of questions as represented below. The DLUHCs will assess the plans that must be the criteria listed below. In the event that a plan cannot be signed off first time the DLUHC will provide feedback to support revisions.

Investment Plan Questions	Assessment Areas	Criteria for approval
<ul style="list-style-type: none"> • Local Context • Outcomes and interventions (priorities E1 – E41) • Delivery 	<ul style="list-style-type: none"> • Local Context • Selection of outcomes, outputs and proposed interventions • Delivery 	<ul style="list-style-type: none"> • Sufficient rationale provided for proposals • Accurate and complete expenditure and deliverables • Delivery plans providing governance and resource structures, delivery design and management of specific delivery elements e.g. subsidy control/state aid

1.14 On 27 June 2022 the Council appointed a consultant to assist with the development of the Council's UKSPF Investment Plan. In order to ensure that the Council complies with the funding guidance an accelerated consultative programme was initiated that included establishing a LPG and consultation workshops with key stakeholders. The first meeting of the LPG was held on 8 July 2022 with the group reconvening on 28 July 2022. The LPG included Gedling Borough Council elected members and officers and invitations were extended to the County Council, local MPs, NHS representatives, business and skills support providers, business representatives, voluntary sector representatives, DWP and the police. The group also included a representative from BEIS who attended as an observer

1.15 Consultation workshops/meeting were also held focused on the following themes.

- Community Hubs and Partners Meeting
- Local Business workshop and
- People and Skills Workshop
- Parish Councils

1.16 Alongside the consultative processes the Council reviewed its strategies and data to ensure the SPF Investment Plan interventions were substantiated by evidence to comply with the funding criteria. Projects were assessed using the following criteria

- Deliverable within the time frame i.e. by March 2025.
- Provide a Strategic Fit to National/Regional/Devolution proposals
- Supporting the Council Plan and Strategies
- Meeting the UL SPF Funding Requirement and VFM
- Providing added value

1.17 To comply with the requirements of the UK SPF legal advice was sought in respect to the question of subsidy arising from the proposed projects within the SPF Investment Plan.

2 Proposal

The Investment Plan

- 2.1 On 28 July 2022 the Local Partnership Group endorsed the Council's UK SPF Investment Plan. The plan sets out the funding priorities over the 3-year programme based on the following interventions.

Communities and Place
E1: Improvements to town centres & high streets
E2: Community & neighbourhood infrastructure projects
E3: Creation of and improvements to local green spaces
E4: Enhancing existing cultural, historic & heritage institutions offer
E5: Built & landscaped environment to 'design out crime'
E6: Local arts, cultural, heritage and creative activities
E7: Support for active travel enhancements
E8: Campaigns to encourage visits and exploring of local area
E9: Impactful volunteering and/or social action projects
E10: Local sports facilities, tournaments, teams & leagues
E11: Capacity building & infrastructure support local groups
E12: Community engagement schemes, local regeneration
E13: Community measures to reduce the cost of living
E14: Relevant feasibility studies
E15: Investment and support for digital connectivity for local community facilities
Supporting Businesses
E17: Development & promotion of visitor economy
E22: Enterprise infrastructure & employment /innovation sites
E23: Strengthening local entrepreneurial ecosystems
E24: Training hubs, business support offers, incubators
E16: Open markets & town centre retail & service sector
E29: Supporting decarbonisation whilst growing the local economy
E30: Business support measures to drive employment growth
People and Skills
E33: Employment support for economically inactive people
E34: Courses including basic, life & career skills
E35: Enrichment & volunteering activities
E36: Increase levels of digital inclusion, essential digital skills
E37: Tailored support for the employed to access courses
E39: Green skills courses
E41: Local digital skills

- 2.2 Below is a summary of the spending profile to support the above interventions through a range of projects.

	Communities and Place		Supporting Business		People and Skills		Total
	Capital £	Revenue £	Capital £	Revenue £	Capital £	Revenue £	
2022/23	252,881	26,000	38,468	30,534	0	0	347,883
2023/24	125,700	155,600	0	364466	0	50000	695,766
2024/25	449,119	163,425	381532	404258	0	424572	1,822,906
Total	827,700	345,025	420,000	799,258	0	474,572	2,866,555

2.3 The Investment Plan is contained in Appendix 1.

Local Partnership Group and Stakeholder Engagement

2.4 The LPG will continue to have a key role in monitoring and reporting of the progress of the investment plan over the fund's 3-year duration. The membership of the LPG will be reviewed post submission to ensure that the group is representative and avoids conflicts of interest for example where a provider of services will be tendering for work.

2.5 The council will continue engaging with wider stakeholders in the ongoing development of the plans. Several of the interventions included in the investment plan will support the creation and sustainability of stakeholder groups in the business and voluntary sector.

Business Support and People and Skills

2.6 Discussions have been initiated with neighbouring Local Authorities and providers in assessing the Business Support and Skills and Employment EU funded programmes and related programmes that are to cease during the term of the UK SPF. There being opportunities to collaborate on cross boundary support and to ensure continuity of provision but also to ensure that outputs and outcomes are clearly defined at a local authority level. The Local Partnership Group were supportive of this approach that provided flexibility and targeted interventions to meet the needs of the borough.

3 ALTERNATIVE OPTIONS

3.1 The Council has the option not to submit a UK SPF Investment Plan but this decision would adversely impact upon the borough. Although the full impact of the loss of EU funding to support business support and skills and training programmes across the borough is currently being assessed, the UK SPF is a resource that can mitigate against the potential risk of services being withdrawn due to funding. It also provides funds that can support a range of low value revenue and capital projects within the borough.

- 3.2 The UK SPF Investment Plan has been developed in line with the requirements of the funding, the priorities and interventions are evidenced and have the endorsement of the LPG. The option of an alternative plan would therefore not meet the priorities of the borough or funding requirements.

4 FINANCE

- 4.1 As detailed in paragraph 1.10 the Council has been allocated £2.867m of UKSPF funding for the 3 year period 2022/23 – 2024/25, plus an allocation of £20,000 to undertake initial preparatory work including developing a local investment plan for submission.
- 4.2 The award of the grant is subject to approval of the UK SPF Investment Plan, and the Council's acceptance of the Memorandum of Understanding setting out Fund requirements and obligations will be reviewed upon receipt of the grant determination letter to ensure that grant conditions are met throughout delivery of the investment plan.
- 4.3 Should the UK SPF Investment Plan be approved, the delivery of plan and the proposed projects will be subject to future approvals of the appropriate revenue and capital budgets in accordance with the Council's Financial Regulations, including any identified match funding for specific projects.

5 LEGAL IMPLICATIONS

- 5.1 At this stage, it is recognised that were the Investment Plan to be approved that there would need to be strong governance of the project to ensure lawful decision making and management in line with the Council's Constitution and relevant statutory requirements, including the selection of projects that will be progressed.
- 5.2 As part of the UK SPF Investment Plan there has been an assessment of the subsidy rules in respect of both identified projects and the future spend of that funding by the Council. At this stage, the Council is satisfied that the proposals are compliant with the subsidy rules.
- 5.3 In terms of procurement in the event of award, consideration has been given to future procurement options for the projects, again these must be undertaken in line with statutory requirements and the Council's Contracts and Procurement Rules. Grants to third parties must also be awarded in accordance with the Council's Funding Strategy and Financial Regulations. Grants will be subject to appropriate grant agreements being in place to secure how the funds are spent and to comply with any monitoring requirements.

6 EQUALITIES IMPLICATIONS

An Equalities Impact Assessment has been produced as part of the Investment Plan submission. Individual Equality Impact Assessments will be expected to be produced for individual projects included within the plan.

7 CARBON REDUCTION/ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

The Gedling UK SPF Investment Plan identifies interventions that support carbon reduction. These include increasing cycle parking at retail centres across the borough as well as green skill courses being available to residents in the borough.

8 APPENDICES

Appendix 1 UK SPF Investment Plan Gedling Borough Council

9 BACKGROUND PAPERS

There are no background papers

10 REASONS FOR RECOMMENDATIONS

10.1 To note the UKSPF programme and implications for the Council

10.2 To agree to the submission of the UK SPF Investment Plan

Statutory Officer approval		
Approved by:	Sara Pregon	Deputy Monitoring Officer
Approved by:	Alison Ball	Section 151 Officer