

CABINET

DATE	20/07/2022
REPORT OF	Councillor Philip Jackson, Leader of the Council and Portfolio Holder for Economy, Net Zero, Skills and Housing
RESPONSIBLE OFFICER	Sharon Wroot Executive Director for Environment, Economy, and Resources
SUBJECT	UK Shared Prosperity Fund
STATUS	Open
FORWARD PLAN REF NO.	CB 07/22/05

CONTRIBUTION TO OUR AIMS

UK Shared Prosperity Fund will contribute to the Council's 'Stronger Economy' and 'Stronger Communities' by supporting interventions across the themes of Communities and Place, Supporting local business, and People and Skills. Interventions funded through the UK Shared Prosperity Fund will be fully aligned to the Council Plan and will complement and enhance other activities across the borough.

EXECUTIVE SUMMARY

The UK Shared Prosperity Fund (UKSPF) is a mixed revenue and capital £6.2m allocation aimed at building pride in place and increasing life chances across the UK. It is an allocation rather than a competitive bid process, but each Local Authority must create a local Investment plan for approval by the Department for Levelling Up, Housing & Communities to access the fund.

Split across two schemes, a targeted adult numeracy skills programme, Multiply, and the core UKSPF fund, it aligns with the Levelling Up White Paper missions, particularly '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.'

In June 2022, Cabinet approved submission of the Investment Plan for Multiply, and this report outlines the process for the development of the Investment Plan for the core UKSPF which must be submitted by 1st August 2022.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the submission of Investment Plan for UKSPF to the Department for Levelling Up, Housing & Communities (DLUHC).
2. Authorises the Executive Director for Environment, Economy, and Resources, in consultation with the Leader of the Council, to take all actions necessary, including

- 2.1 Acceptance of the grant funding award from the DLUHC.
 - 2.2 Defrayal of the grant and any ancillary activity in support of the above recommendations.
3. Delegates to the Assistant Director Law, Governance and Assets (Monitoring Officer) the responsibility to execute all documentation arising.

REASONS FOR DECISION

To support the submission of an Investment Plan to DLUHC for approval to access the UKSPF funding allocation by the deadline of 1st August 2022.

1. BACKGROUND AND ISSUES

- 1.1 The UKSPF was launched in April 2022, and is an allocated fund based on population size and a needs-based index. North East Lincolnshire has been awarded a total of £6,244,819 which is allocated as £962,714 to support adult numeracy interventions (Multiply), and £5,282,819 for core UKSPF.
- 1.2 Multiply is ringfenced entirely to adult numeracy skills interventions across the three-year delivery phase. Additional skills interventions can be included within the wider UKSPF programme when current funding streams expire. The Investment Plan for Multiply was submitted by the deadline of 30th June 2022.
- 1.3 Funds for the core UKSPF are allocated across the three-year programme 2022/23 – 2024/25 and are a mix of both revenue and capital funding. Local Authorities can set out in their Investment Plan the intended split of capital and revenue, with a minimum capital spend set out per annum by DLUHC. Allocations across the three years are as follows.

	Y1 22/23	Y2 23/24	Y3 24/25
North East Lincolnshire	£641,032	£1,282,064	£3,359,009
Min capital spend per annum	10%- £64,103	13%- £166,668	20%- £671,801

- 1.4 The primary goal of the core UKSPF is to build pride in place and increase life chances across the UK. Beneath this are three priorities

- **Community and Place**
 - Strengthening our social fabric and fostering a sense of local pride and belonging.
 - To build resilient and safe neighbourhoods.
- **Supporting local business**
 - Creating jobs and boosting community cohesion by supporting local businesses.
 - Promoting networking and collaboration and stimulating innovation and growth.

- Targeted support to help businesses grow – for example, innovation, productivity, energy efficiency, low carbon, and exporting.
- **People and skills (available in year 3 of the scheme)**
 - Boosting core skills and support adults to progress in work.
 - Supporting disadvantaged people to access the skills they need.
 - Funding local skills needs and supplementing local adult skills provision.
 - Reducing levels of economic inactivity and supporting those furthest from the local labour market.

1.5 Guidance states that UKSPF should be used to support a wide range of interventions and are encouraged to complement Levelling Up Fund capital projects, strategic Freeport interventions, or community-led projects, as well as existing employment and skills provision.

1.6 Each place will have flexibility to invest across a range of activities which represent the right solutions to reflect local need and opportunity. A menu of interventions and indicative outputs and outcomes has been provided by DLUHC to prioritise activities for the Investment Plan.

1.7 UKSPF will replace European and other funding streams ending in 2023.

1.8 Local Authorities are encouraged, where appropriate, to work with other authorities to agree and commission activity over a larger scale where the result would be higher value for money or better outcomes for local people and business.

2. NEXT STEPS

2.1 As part of the development of the Investment Plan, a Local Partnership Group was established to agree areas of focus, the governance process, and to support the development of the Investment Plan.

2.2 Working groups for each strand were created to consider activities which align with the Council priorities, local need, and menu of interventions as provided by DLUHC for each area of priority. Working groups include key stakeholders and are led by a NELC officer to promote a collaborative approach to identifying interventions which best meet the needs of the local area. The four working groups are.

- Communities and Place (Culture, leisure, tourism, and events)
- Communities and Place (People, communities, voluntary sector)
- Supporting local business
- People and skills

The annual allocation was split into indicative budget envelopes for each of these working groups, with a focus on deliverability and value for money, as shown in the table below.

	Strand 1	Strand 1	Strand 2	Strand 3	
	Communities and Place	Communities and Place	Local Business	People and Skills	
	Culture, Leisure, Tourism, Events	People, communities, voluntary sector	Business support, business Grants	Skills courses (In addition to Multiply)	Total
Y1	160,258	160,258	320,516	0	641,032
Y2	288,464	288,464	576,930	128,206	1,282,064
Y3	559,834	559,835	1,119,670	1,119,670	3,359,009

2.3 Identified interventions and allocations for each strand were then proposed to, and supported by, the Local Partnership Group. These interventions form the basis of the Investment Plan.

2.4 Deadlines for submission of the Investment Plan is 1st August 2022.

2.5 DLUHC will assess Investment Plan with sign-off expected from October 2022. Year 1 funding is expected to be paid from October 2022, with payments for remaining years made at the beginning of each financial year.

2.6 The Local Authority is delegated to manage the day-to-day monitoring and allocation of the fund across a series of projects which support the agreed interventions.

2.7 Subject to Cabinet approval; the Investment Plan, which outlines the priority interventions we wish to support, based on local need, will be submitted. Following this, individual projects will be created to deliver these needs, and the Council will enter appropriate legal agreements with providers to deliver the programme locally.

2.8 Individual programmes and activities will be approved by the Executive Director for Environment, Economy, and Resources, in consultation with the Leader of the Council.

2.9 Local delivery of the programme will be supported by the Council's Economy and Growth team who will work with DLUHC to develop project appraisal and claims/monitoring processes for the fund across the three-year delivery of the programme.

3 RISKS AND OPPORTUNITIES

3.1 The funding will support the objectives and opportunities as identified in the Council Plan, Economic Strategy, Skills Framework, Cultural Strategy, and the Zero Carbon Roadmap.

3.2 Activities for year 1 of the programme can begin at risk in advance of the Investment plans being submitted. There is, however, a risk that if approval is delayed, activities scheduled in year 1 which do not begin at risk may be compromised and lose funding.

4. OTHER OPTIONS CONSIDERED

- 4.1 Do nothing – we could choose to not submit an Investment Plan. However, this is not a competitive process and the funds have already been allocated. Additionally, the fund replaces European funding which ends in 2023, and no other funding is expected.

5. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 5.1 There are positive reputational implications for the Council providing funding to support local communities, event programmes, skills initiatives, and businesses. In addition, interventions will be aimed at raising aspirations, supporting jobs and investment, improving footfall and dwell time, tourism numbers, business opportunities, and community pride.

6. FINANCIAL CONSIDERATIONS

- 6.1 Capacity funding of £20,000 has been made available to support the development of a UKSPF Investment Plan.
- 6.2 A maximum of 4% of the fund can be allocated for Management and Administration activities.
- 6.3 The first payment for 22/23 activity is expected to be paid from October 2022, with remaining payments made at the beginning of each financial year. Any underspend at the end of each financial year will be paid back.

7. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 7.1 UKSPF covers a wide range of activities across culture, leisure, community groups, the business environment, and skills interventions. All of these activities will have a positive impact on children and young people by providing an environment where young people can be involved in leisure and learning opportunities which raise aspirations and increase life chances.

8. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 8.1 Interventions will consider environmental implications and opportunities to ensure sustainability and low carbon initiatives are incorporated at every opportunity.

9. CONSULTATION WITH SCRUTINY

- 9.1 Scrutiny will be consulted as part of the development of the Investment Plan.

10. FINANCIAL IMPLICATIONS

- 10.1 The proposed plan will help form how the available external grant can be effectively invested for the benefit of North East Lincolnshire.

11. LEGAL IMPLICATIONS

- 11.1 Immediate legal implications arising will be around the terms and conditions of external grant funding and the completion of funding agreements and

ancillary documentation. Legal Services will support this process, ensuring the interests of the Council are protected.

11.2 As individual projects arise throughout the delivery phase Legal Services will continue to support colleagues.

11.3 The delegations sought are appropriate to an exercise of this nature

12. HUMAN RESOURCES IMPLICATIONS

12.1 There are no direct HR implications

13. WARD IMPLICATIONS

13.1 The UK Shared Prosperity Fund is expected to benefit all wards and all residents living in North East Lincolnshire.

14. BACKGROUND PAPERS

Council Plan

<https://www.nelincs.gov.uk/assets/uploads/2022/02/NELC-Council-Plan-a11y.pdf>

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