

## **CABINET – 9TH JUNE 2022**

### **Report of the Head of Planning and Regeneration Lead Member: Councillor Jonathan Morgan**

#### **Part A**

#### **ITEM 8      UK SHARED PROSPERITY FUND (UK SPF)**

##### Purpose of Report

To seek approval to access the allocation of funds made available by Government under the UK Shared Prosperity Fund and to set out the Council's approach to work with local partners and elected representatives to identify and prioritise projects. To seek authority to submit an Investment Plan to government by the stated deadline.

##### Recommendations

1. That the approach to the identification and prioritisation of projects as set out in Part B of the report be confirmed;
2. That delegated authority be given to the Strategic Director Communities, Planning & Housing, in consultation with the Leader, to set the priorities and scoring criteria to enable projects to be selected for the available funding;
3. That delegated authority be given to the Leader, in consultation with the local MPs, to approve the final Investment Plan;
4. That authority be delegated to the Chief Executive, in consultation with the Leader and S151 officer, to submit the Investment Plan to DLUHC by the stated deadline in order to access Charnwood's allocation of UKSPF;
5. That the funding received be added to the council's budget in each year of the programme according to the financial profile agreed with DLUHC

##### Reasons

1. To confirm the approach to project identification and their prioritisation for inclusion in the Investment Plan
2. To ensure priorities are clear and there are scoring criteria available to facilitate the selection of projects to be taken forward in the Investment Plan
3. To ensure that the timetable is met and to meet the requirements set out in the guidance;
4. In order to access Charnwood's allocation of UK SPF funding
5. To ensure that the funding is added to the Council's budget as it is received from DLUHC

## Policy Justification and Previous Decisions

The vision in the Corporate Strategy 2020 – 2024 is for Charnwood to be a borough for innovation and growth, delivering high-quality living in urban and rural settings, with a range of jobs and services to suit skills and abilities and meet the need of our diverse community. This vision has its expression in three themes committed to caring for the environment, securing healthy communities and supporting and fostering strong economic growth in Charnwood. The Government's levelling up agenda seeks to make people's lives better and in doing so, grow the economy and ensure we flourish as a country.

## Implementation Timetable including Future Decisions and Scrutiny

The timetable for UKSPF is set by DLUHC and requires the submission of an Investment Plan by 1 August 2022 and the spend of allocated funds against an annual profile for the three year period 2022/23 – 2024/5 set out in the Investment Plan. Due to the tight timescales, delegated authority is sought to ensure the Investment Plan can be prepared and submitted by the deadline.

## Report Implications

The following implications have been identified for this report.

### *Financial Implications*

Charnwood has been allocated £4,028,042 from the UK SPF. This will be paid out in tranches across the 3 financial years of the programme in line with the Investment Plan. The Fund can support investment in interventions that start from 1 April 2022 and payments will commence in October 2022 for the 2022/23 financial year.

Resources to support the administration and delivery of the UKSPF will come from existing budgets although capacity funding of £20k is available once the Investment Plan is submitted and a further 4% (£161k) of the value of Charnwood's UK SPF allocation is available to cover the cost of administering the fund to March 2025.

### *Risk Management*

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

<b>Risk Identified</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall Risk</b>	<b>Risk Management Actions Planned</b>
That the Investment Plan is not acceptable to government and/or the funding is not forthcoming with reputational impacts for the Council	Likely (1)	Serious (3)	Low (4)	The programme is managed by a project team of senior officers including the Communications Manager

### *Equality and Diversity*

An Equality Impact Assessment (EIA) has not been prepared for the programme as the interventions are not known at this stage. An EIA will be required to accompany the Investment Plan when it is submitted to DLUHC in August 2022 to comply with ePublic Sector Equalities Duty.

*Crime and Disorder*

The report has no direct implications for crime and disorder

*Sustainability*

The report has no direct implications for sustainability.

Key Decision: Yes

Background Papers: [Levelling Up White Paper](#)  
[UK SPF Prospectus](#)  
[Net zero and nature recovery](#)  
[25 year Environment Plan](#)

Officers to contact:

Richard Bennett  
Head of Planning and Regeneration  
(01509) 634727  
[Richard.bennett@charnwood.gov.uk](mailto:Richard.bennett@charnwood.gov.uk)

Chris Grace  
Regeneration & Economic Development Team  
Leader  
(01509) 634534  
[Christopher.grace@charnwood.gov.uk](mailto:Christopher.grace@charnwood.gov.uk)

## Part B

### 1. Background

1.1 In February 2022, the Government published its levelling up White Paper setting out its plan to reverse the country's geographical inequalities and to radically improve the United Kingdom in the following ways:

- Boosting productivity, pay, jobs and living standards by growing the private sector, especially in those areas where they are lagging;
- Spreading opportunities and improving services, especially in those places where they are the weakest;
- Restoring a sense of community, local pride and belonging, especially in those places where they have been lost; and
- Empowering local leaders and communities, especially in those places lacking local agency.

1.2 The agenda coordinates and builds on existing programmes including the Levelling Up Fund, Future High Street Fund, Town Deals, Free ports, amongst other things, and the UK Shared Prosperity Fund (UK SPF) is the latest programme in this suite of complementary funding that all local authorities in the country will benefit from.

1.3 A prospectus for UK SPF was published on 13 April 2022 and a series of webinars have been held by DLUHC introducing the programme and providing support.

### 2. UK Shared Prosperity Fund

2.1 UK SPF is £2.6bn of new funding for local investment by March 2025. It is not a competitive bid process but an allocation based on a funding formula. Charnwood has been allocated just over £4m. The fund will:

- Taper in from 1 April 2022, with funding reaching £1.5bn by March 2025
- Empower each place to identify and build on their own strengths and needs at local level, focusing on Pride in Place;
- Delegate delivery of the fund to local authorities, supported by local partners;
- Enable local places to build a package of funding, drawing on other levelling up programmes

2.2 The profile for the release of funds for each council is 15% in year 1, then 27% in Year 2 and then 58% in Year 3. The Fund is largely a revenue based programme with a minimum capital spend required in each year. The minimum capital requirement is 10% in year 1, 13% in year 2 and rising to 20% in year 3 but otherwise the Council has discretion as to the split between capital and revenue projects. Any underspends must be returned to DLUHC at the end of each financial year.

- 2.3 The primary goal of UK SPF is to build **pride in place and increase life chances across the UK**. It seeks to do this by enabling investment in the places where people live as well as supporting individuals and businesses across three themes:
- Community and Place
  - Supporting local Business
  - People and Skills
- 2.4 Local Authorities are given responsibility for:
- Developing an investment plan
  - Receiving an area's funding allocation to manage
  - Assessing and approving project applications
  - Processing payments and day-to-day monitoring.
- 2.5 DLUHC says the fund can be best delivered close to local people and businesses; by authorities that understand each place's local context, with established governance. Local Authorities are strongly encouraged to work with other local authorities to agree and commission skills and employment activity to get best value for money and develop effective solutions.
- 2.6 Local partnerships are a core component of how the Fund will be administered and the Council is expected to work with a diverse range of local stakeholders, civic society organisations, employer bodies and businesses, as well as local MPs, to achieve fund outcomes.
- 2.7 DLUHC requires each place to set out measurable outcomes they are looking to deliver, and what interventions they are choosing to prioritise in an Investment Plan. These plans should take account of the wider funding landscape and in particular complementary interventions and other national or local schemes. There is flexibility to invest across a range of activities to improve local places; spread and create opportunity; and support a sense of community and belonging. DLUHC will sign off Investment Plans, unlocking each areas allocation to invest in priority projects.
- 2.8 A further priority for government under UK SPF is the adult numeracy programme called 'Multiply'. £559m has been made available for upper tier authorities to invest in interventions to enhance adult numeracy. Leicestershire County Council will receive £3m.
- 2.9 Capacity funding of £20k to help with the costs of preparing the Investment Plan is available to draw down once the plan is submitted. A further 4% (£161k) of the value of Charnwood's UK SPF allocation is available to cover the cost of administering the fund.
- 2.10 The programme will be subject to regular monitoring and evaluation by DLUHC to ensure the money is being spent to agreed timescales and milestones and that outputs and outcomes are being achieved. The arrangements for monitoring will be set out in a memorandum of understanding with each local authority with the expectation of reporting every six months with qualitative

updates on a more frequent basis. Further guidance on the reporting regime and process will be issued in the summer.

- 2.11 The government is particularly keen that local authorities undertake locally led evaluations of how effective delivery has been for projects and also what has worked well in terms of the impact of projects have had in creating pride in place. The government will also be undertaking its own evaluations to build its evidence base of what works well by selecting specific projects from Investment Plans across the country. If they choose projects from our Investment Plan we will not need to duplicate their work.

### 3. The Investment Plan

- 3.1 Each locality will have flexibility to invest across a range of activities that represent the right solutions to improve pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. Investment plans must therefore set out, and will be assessed on, the local context including challenges and opportunities; provide a selection of outcomes, outputs and proposed interventions; and how the plan will be delivered. It can include projects which already commenced from 1<sup>st</sup> April 2022 and therefore receive retrospective funding. Any interventions [projects] should relate to the menu of project areas listed under each of the three headline themes in the Prospectus (see para 2.3).

- 3.2 In contrast to the Towns Fund programme, there will NOT be a need for HMT Green Book standard business cases for each project in order that the Investment Plan be approved. Nor will green book business cases be needed to confirm allocation of grant. It is up to each locality to decide which projects it is comfortable to spend on – the emphasis of DLUHC approval will be on deliverability of the projects and the outcomes they are designed to achieve.

- 3.3 The Investment Plan must show the golden thread between the challenges facing the locality and how the projects address them. Projects should also consider how they have taken into account or align with other national policies or plans including:

- Net zero and nature recovery
- 25 year Environment Plan
- Levelling Up Fund
- Freeports

### 4. Progress to Date

- 5.1 An internal project team has been established, led by the Strategic Director of Communities, Planning and Housing and involving the Head of Planning & Regeneration the Acting Economic & Regeneration Team Leader and the Communications Manager. Other officers will be involved as required. The Project Team is meeting weekly to plan the work required to engage with local partnerships, identify and prioritise projects, and prepare the Investment Plan and the communications messaging around this.

5.2 Discussions have been held at the County wide EGOG (Economic Growth Officers Group) to discuss opportunities for interventions that cross geographies in Leicester and Leicestershire. It is felt at this stage that collaboration around the development of plans and business cases for the projects is likely to be more appropriate than shared projects. Opportunities for cross boundary activity are being explored, although the timetable for submission may impact on the ability to develop partnerships and projects that are not already established.

## 6. Project Aims

6.1 The Investment Plan requires an analysis of the challenges and opportunities in the borough that funding can help address, with the aim of creating pride in place and increasing life chances. These challenges and opportunities will then set the context from which projects will flow in a 'golden thread'.

6.2 Initial scoping of the programme has identified a particular gap around supporting the next generation in Charnwood so that they have the support and opportunity to achieve their best potential and life chances in a post covid world. Previous funding proposals have concentrated on capital investment and infrastructure, whereas the UK SPF gives us an opportunity to also support revenue projects that impact directly on individuals and can have some lasting benefit into the future. The proposals for levelling up look to invest in areas with a view to generating long term change and improvements. Therefore, considering ways in which young people can benefit would assist in their longer-term life skills and employment prospects. In addition, the pride in place elements of the proposals can help reinvigorate the community connections that have been lost over the past two years, and build on the many examples of support and community activity that was evident during the pandemic. This complements the themes within the Loughborough Town Deal around Loughborough being a town for all ages. Similarly, we would want to encourage projects across Charnwood which benefit the next generation of Charnwood residents and support them to be able to maximise the opportunities provided across the Borough, to invest in their future, and to safeguard their natural environment.

6.3 The idea of supporting the borough's communities is proposed to be branded as 'Future Charnwood' for the Investment Plan purpose and conceptually it matches well with the Council's Corporate Plan themes and provides the means for a broad range of interventions to be considered from a wide range of stakeholders, partners and third sector organisations that sit under the three themes of the programme. For example, it could include projects that:

- improve public realm including the appearance of shops in town centres.
- Support the creation of new business and existing start ups
- Support community infrastructure projects
- Improve access to green spaces, health and wellbeing
- Create or maintain community connections/cohesion
- Investing in our young people for eg through apprenticeships
- Reduce our impact on the environment/climate
- Contribute to the enhancement of biodiversity in the Borough
- Contribute to the building of resilient, safe and healthy neighbourhoods
- Supports local pride and belonging

- Supports volunteering and social action
- Supports community measures to reduce impact of cost of living

## 7. Project prioritisation and selection

7.1 The UKSPF is a very broad based scheme with flexibility to set the proportion of capital and revenue projects locally (subject to a minimum capital spend of between 10-20% over the life of the programme). This flexibility is welcomed and provides opportunity to consider a wide range of projects from partners, stakeholders and the third sector. However, the flexibility means the Fund is likely to be very popular and potentially oversubscribed and therefore it is necessary to consider how funding can be prioritised. To this end the project team will develop scoring criteria in consultation with the Leader to enable prioritisation and selection. There will be an emphasis on interventions that have an impact on the levelling-up agenda and can provide a legacy as well as a focus on those parts of the Borough that are facing the greatest challenges post pandemic, especially in the context of cost of living pressures.

## 8. Engagement Plan

8.1 The Council will engage with elected representatives, partners, stakeholders and the community to identify potential interventions. A stakeholder engagement list will be drawn up and a range of channels used to engage with them and the wider public about the UK SPF and the opportunities it provides. Those channels include media, social media, the Council's email alerts, plus virtual meetings. Direct contact will also be made with some stakeholders/partners/groups where officers are aware of project opportunities.

## 9. Next Steps

9.1 The next steps are to finalise an engagement plan and identify stakeholders, local partners and third sector organisation, explain the programme and its aims and objectives and invite bids for projects. There is no existing forum to coordinate this and no time to set one up therefore officers will use contacts held on existing databases and others identified by elected representatives.

9.2 Officers will prepare criteria to enable submitted projects to be scored against the programme objectives. Project leads will be expected to have viable and open ready projects that can be delivered before the end of March 2025 and to provide the level of detail necessary to fulfil the requirements of the Investment Plan.

9.3 An Investment Plan will be prepared using the templates provided by DLUHC. These templates require the Council to set out the challenges and opportunities under each of the three themes and then to indicate the interventions proposed against each one. It is necessary to show how the interventions meet the UKSPF investment priorities and our rationale, as well as the outcomes we expect to be delivered. The Council will also have to explain the structures we have in place to support delivery, the support from the local community and stakeholders, that we have considered opportunities to work across geographies and that we have engaged with MPs and they support it.



- 9.4 The templates also ask what resources will be committed to supporting the programme. Our response will not affect the funding we are allocated to administer the programme; rather, it will give an indication to DLUHC of how they can best support us.
- 9.5 The templates indicate that before the Investment Plan is submitted prior to 1 August 2022, it should have approval from the Chief Executive, the S151 officer and the Leader. Therefore, when the Investment Plan has been finalised it, it is recommended that delegated authority be given to the Leader, in consultation with the MPs, to approve the final Investment Plan. Once finalised, it is further recommended the Chief Executive has delegated authority to submit the Investment plan to DLUHC in consultation with the S151 officer.

10. Project Timetable

<b>Activity</b>	<b>Date</b>
Cabinet member briefing	19 May
Issue of pro forma and publicity	w/c 23 May
Deadline for pro forma responses	10 June
Project prioritisation and selection	June
Investment Plan preparation	June-July
Investment Plan submission deadline	1 August