

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Cabinet Delegated Decisions

29 July 2022

TITLE:	UK Shared Prosperity Fund
EXECUTIVE COUNCILLOR:	Councillor Flunder - Portfolio Holder for Tourism
CONTACT OFFICER:	Lisa Hoyland
WARDS INVOLVED:	All wards

Appendices Attached

- Appendix 1 Proposed interventions for the UK Shared Prosperity Fund**
- Appendix 2 Investment Plan allocation**
- Appendix 3 Consultation webinar attendees**
- Appendix 4 Proposals received to date**

1. Reason for the Report

- 1.1 To seek approval to submit the Staffordshire Moorlands Investment Plan and associated documents to the Department for Levelling Up, Housing and Communities (DHULC) by their deadline of 1st August. Submission of the Investment Plan will enable the Council to draw down their allocation of £3,428,937 subject to approval by DHULC. The report also seeks approval for Staffordshire Moorlands District Council to accept any UKSPF allocated to the Council and to work on preparations for commissioning projects and development of delivery partnership arrangements.

2. Recommendation

- 2.1 To approve the submission of the UK Shared Prosperity Fund Investment Plan.
- 2.2 To accept any UKSPF allocated to the Council.
- 2.3 On behalf of the Council, develop and commence the commissioning of projects to be funded by UKSPF and commence commissioning on Council led projects in preparation for the award.
- 2.4 To approve the establishment of a UK Shared Prosperity Board (“the Board”).
- 2.5 To authorise the Executive Director (Place) to make all minor and technical amendments to the Investment Plan as required in consultation with the Cabinet Member for Tourism.

3. Executive Summary

- 3.1 The UK government Department for Levelling Up, Housing and Communities (DLUHC) has launched the UK Shared Prosperity Fund (UKSPF) which succeeds the European Union structural funds (ERDF and ESF).
- 3.2 The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. There are three UKSPF investment priorities:-
- Communities and place;
 - Supporting local business; and
 - People and skills (from 2024/25 unless a voluntary/community sector project whose European Social Fund funding is due to end sooner).
- 3.3 An allocation of funding has been made to Staffordshire Moorlands District Council against which the Council has to deliver agreed interventions and outcomes.
- 3.4 In order for Staffordshire Moorlands to secure funding through this programme, the Council will need to become the lead accountable body, support a Shared Prosperity Board and submit an Investment Plan.
- 3.5 To be able to draw down the allocation, an Investment Plan must be submitted to DLUHC by 1st August 2022.

4. How this report links to Corporate Priorities

- 4.1 The UK Shared Prosperity Fund will contribute to:-
- Aim 1: To help create a safer and healthier environment for our communities to live and work.
 - Aim 2: To use resources effectively and provide value for money.
 - Aim 3: To help create a strong economy by supporting further regeneration of towns and villages.
 - Aim 4: To protect and improve the environment and respond to the climate emergency

5. Alternative Options

- 5.1 The alternative option is to not submit the Investment Plan by the government's required deadline which would mean that the Council would not draw down its allocation of £3,428,937.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)

UKSPF can contribute to the design and management of the built and landscaped environment to 'design out crime'.

6.2 Workforce

The Council will be required to programme manage the UKSPF and will need to consider capacity both to deliver and for procurement, consultation and financial management.

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Diversity and Equality Policies.

6.4 Financial Considerations

The Council will be able to use up to 4% of their allocation by default to undertake necessary fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.

6.5 Legal

The milestones, expectations and timescales will be set out in a Memorandum of Understanding between DLUHC and the Council. The Council should design their project selection and contracting processes so they have mechanisms to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements.

6.6 Climate Change

UKSPF can contribute to supporting decarbonisation and improving the natural environment whilst growing the local economy and improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. Under skills, it can fund green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.

6.7 Consultation

The Council is tasked with working with a diverse range of local and regional stakeholders, civil society organisations, employer bodies responsible for identifying local skills plans, and businesses or business representative groups to achieve Fund outcomes in their areas. A webinar was held on 15th July at which a wide range of stakeholders were invited to submit their responses.

6.8 Risk Assessment

Risks to the Council are that the funding will not be allocated if we do not agree and submit an Investment Plan by 1st August.

Neil Rodgers
Executive Director (Place)

Web Links and Background Papers

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

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7. Detail

- 7.1 The UKSPF supports the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:
1. Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
 2. Spread opportunities and improve public services, especially in those places where they are weakest.
 3. Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 4. Empower local leaders and communities, especially in those places lacking local agency.
- 7.2 The primary goal of the UKSPF is to build pride in place and increase life chances across the UK.
- 7.3 There are three UKSPF investment priorities:-
- Communities and place;
 - Supporting local business; and
 - People and skills (from 2024/25 unless a voluntary/community sector project whose European Social Fund funding is due to end sooner).
- 7.4 Though the UKSPF is the replacement for European Funding (ERDF and ESF) the amounts available to continue business support and people and skills elements will be much reduced. Nationally, EU Structural Funds were worth £2.4 billion per year for a seven year programme, whilst UKSPF allocations are £2.6 billion over three years to 2024/25. Whilst European Funds were administered by LEPs (Local Enterprise Partnerships) UKSPF is to be administered at district/borough level in areas without an agreed devolved authority.
- 7.5 Whereas EU funding required match funding, usually of 50%, for UKSPF match funding is not mandated however the expenditure profile expects that we report on any match funding/leverage secured over the lifetime of the fund. The categories for reporting any match funding/leverage are other UK government funding, local authority contribution and third party funder.
- 7.6 Most EU funded projects were co-funded hence if not matched the size of the projects will reduce. There is no firm indication of what, if any, future government funding will be available as match for business support and skills other than from existing initiatives. It is unclear for example whether BEIS will

continue to fund or co-fund programmes such as export advice, innovation, growth hubs and manufacturing programmes.

7.7 Funding Allocation

7.7.1 UKSPF is not a competitive bidding process but an allocation has been made against which the Council has to deliver agreed interventions and outcomes. The allocation:-

	2022/23	2023/24	2024/25	Total
Staffordshire Moorlands	£416,133	£832,266	£2,180,538	£3,428,937

7.7.2 The allocation will comprise both revenue and capital funding and the Council can decide how to split providing that the below minimums for capital are included:-

	Capital minimum	Revenue
2022/23	10% (SM £41,613)	90%
2023/24	13% (SM £108,195)	87%
2024/25	20% (SM £436,107)	80%

7.7.3 The Funding needs to be delayed by March 2025 UKSPF and cannot used to fund any large or complex capital projects however it may fund feasibility studies or preparatory steps towards these subject to some outcomes being delivered elsewhere in the programme. It should be noted that people and skills projects will not commence until 2024 and that most of this funding is backloaded to that year.

7.8 Management Fee

The Council will be able to use up to 4% of their allocation by default to undertake necessary fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.

4% management fee by year	2022/23	2023/24	2024/25	Total
Staffordshire Moorlands	£16,645	£33,291	£87,221	£137,157

7.9 Timescales

7.9.1 The Council has registered on the portal where the Investment Form and associated intervention and outcomes spreadsheets are located for completion.

7.9.2 The Investment Plan submission window opened on 30 June 2022 and closes on 1 August 2022.

7.9.3 Spend can occur at risk from 1st April 2022 until the Investment Plan is approved (October potentially).

7.9.4 All interventions should end by March 2025.

7.9.5 The government has made £20,000 available to prepare the Investment Plan and due to current staffing constraints Mutual Ventures have been commissioned to assist with this work. Mutual Ventures have already gained an insight into the District as they have worked on the Levelling Up bid.

7.9.6 Potentially, ongoing engagement and consultation could be funded from UKSPF and a post created to conduct this work in future.

7.10 Staffordshire Moorlands proposition

7.10.1 Staffordshire Moorlands District Council has prioritised the preferred interventions and outcomes from a list of forty one potential UKSPF interventions and outcomes, based on supporting evidence identifying the challenges and opportunities they are addressing. The interventions selected for the Investment Plan are appended (Appendix 1). The Investment Plan is also appended as Appendix 2.

7.11 Consultation and engagement

7.11.1 A webinar was held on 15th July to which a wide range of stakeholders were invited. Attendees are listed in Appendix 3.

7.11.2 The Investment Plan proposal has been issued to Members of Parliament for comment.

8. Delivery and Programme Management

8.1 The Council will receive the area's allocation to manage, including assessing and approving applications, processing payments and day-to-day monitoring.

8.2.1 The UKSPF Prospectus states that lead local authorities are tasked with working with a diverse range of local and regional stakeholders, civil society organisations, employer bodies responsible for identifying local skills plans, and businesses or business representative groups to achieve Fund outcomes in their areas.

8.2.2 Local partners should support lead local authorities for each place to develop an investment plan. Once plans are approved, partners should be asked to provide advice on strategic fit and deliverability – taking care to avoid conflicts of interest. This will ensure that Fund investments complement other activities in the area and meets Fund and local objectives.

8.2.3 The local partnership will be convened by the lead local authority. In circumstances where a place already has a group that could be used, then the group can be designated for this Fund's purposes, taking care to ensure that

the panel is fully representative and that its terms of reference meet the Fund's needs.

8.2.4 The Council will form a Shared Prosperity Board which will include:-

- Staffordshire Moorlands District Council (Leader and Portfolio Holder for Tourism)
- Staffordshire County Council (Leader)
- Staffordshire Moorlands Chamber of Commerce
- Buxton & Leek College
- The Member of Parliament will be invited to join
- Representatives of the UK government may also attend and can provide access to specific expertise where this is needed

Terms of reference are to be determined but this will be a programme management board and maintain oversight of programme delivery.

9. Procurement

9.1 Once the funding is awarded the Council will have flexibility over how they deliver the Fund. They may wish to use a mix of competitions for grant funding (which is the default approach set out in Cabinet Office Grants Standards), procurement, commissioning or deliver some activity through in-house teams. For example, some community level interventions may require a commissioning or in-house approach, recognising that competitions for grant may create barriers to participation in left behind communities.

9.2 All spend associated with the Fund must be assessed by the Council in advance to ensure that proposed investment is compliant with Public Contracts Regulations 2015 and follows local constitution and grant rules, processes and procedures as and where relevant.

9.3 The Council should also design their project selection and contracting processes so they have mechanisms to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements.

10. The Investment Plan

10.1 DULHC do not require information on a project by project basis however they will need the proposed financial split between interventions and the total outcomes and outputs by intervention. This is submitted by way of two spreadsheets accompanying the Investment Plan.

10.2 The Investment Plan contains three broad stages:-

1. **Local context:** an opportunity for places to set out their local evidence of opportunities and challenges through the lens of the three investment priorities for UKSPF.

2. Selection of outcomes and interventions: where places will identify the outcomes they wish to target based on local context, and the interventions they wish to prioritise, under each investment priority, from the menu of options. These should be clearly linked to local opportunities and challenges.

3. Delivery: this will represent the most detailed stage of the investment plans and is broken down into the following:

- a) Approach to delivery and governance: where the Council outlines the structures and processes that will support the delivery of their chosen interventions. DLUHC expect the Council to set out the engagement they have undertaken as part of the development of their Plan, including their engagement with MPs.
- b) How the Council intends to collaborate with other places in the delivery of specific interventions – for example with neighbouring places, or with places across the UK with common needs or challenges.
- c) Expenditure and deliverables: detailing what the Council wish to deliver with their investment plan, including the spend profile for the three years of the fund as well as outputs and outcomes figures, and where places have already identified specific projects they wish to fund under each of the investment priorities.
- d) Capability and resource: to allow places to outline the resource they have to manage and work on UKSPF, as well as their capability and previous experience of delivering similar funds.