

HIGH PEAK BOROUGH COUNCIL

The Executive - Individual Executive Decisions

29th July 2022

TITLE:	UK Shared Prosperity Fund
EXECUTIVE COUNCILLOR:	Councillor Anthony Mckeown – Leader of the Council
	Councillor Greenhalgh- Deputy Leader & Executive Councillor for Regeneration, Tourism and Leisure
CONTACT OFFICER:	Lisa Hoyland - Regeneration Officer
WARDS INVOLVED:	All wards

Appendices Attached

Appendix 1 Agreed UKSPF interventions

Appendix 2 UKSPF Investment Plan allocation

Appendix 3 Webinar attendees

Appendix 4 Proposals received to date

1. Reason for the Report

- 1.1 To seek approval to submit the High Peak 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 £2,412,072 subject to approval by DHULC. The report also seeks approval for High Peak Borough Council to accept any UKSPF allocated to the Council and to work on preparations for commissioning projects and development of delivery partnership arrangements.
- 1.2 Due to the urgent (due to government timetable for submission) nature of the report the Chair of the Economy and Growth Select Committee has agreed to exempt it from call-in.

2. Recommendations

The executive members are asked to:

- 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 To approve the establishment of a joint UK Shared Prosperity Programme Management Board.
- 2.4 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.
- 2.5 To authorise the Executive Director (Place) to make any necessary minor technical amendments to the Investment Plan in consultation with the relevant Executive Member's.

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 High Peak Borough Council against which the Council has to deliver agreed interventions and outcomes.
- 3.4 In order for High Peak 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 In order to be able to draw down the allocation, an Investment Plan must be submitted to DLUHC by 1st August 2022 agreed by the Leader, the Chief Executive and the Section 151 Officer.

4. How this report links to Corporate Priorities

- 4.1 The UK Shared Prosperity Fund will contribute to:-

Aim 1: Supporting our communities to create a healthier, safer, cleaner High Peak

Aim 2: A responsive, smart, financially resilient and forward thinking council

Aim 3: Protect and create jobs by supporting economic growth, development and regeneration
Aim 4: Protect and improve the environment including responding 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 £2,412,072.

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 DLUPHC 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 14th July at which a wide range of stakeholders were invited to submit their responses. The responses submitted to date are shown in appendix 4.

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
High Peak	£292,727	£585,454	£1,533,891	£2,412,072

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% (HP £29,273)	90%
2023/24	13% (HP £76,109)	87%
2024/25	20% (HP £306,778)	80%

7.7.3 As the interventions must end by March 2025 UKSPF will not be able 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
High Peak	£11,709	£23,418	£61,356	£96,483

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 Borough 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 High Peak proposition

7.10.1 High Peak Borough Council has prioritised the preferred interventions from the list of forty one potential UKSPF interventions.(Appendix 1).

7.10.2 These were selected based on supporting evidence identifying the challenges and opportunities facing High Peak. The outline Investment Plan is also appended as Appendix 2.

7.10.3 The selected list of interventions has been amended with several additional to the initial selection following consultation, these are also detailed within appendix 1.

7.11 Consultation and engagement

7.11.1 A webinar was held on 14th July to which a wide range of stakeholders were invited. Attendees are listed in Appendix 3.

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

7.11.3 Responses received following the webinar and other engagement is attached as appendix 4.

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:-

- High Peak Borough Council - Leader and Deputy Leader & Executive Councillor for Regeneration
- High Peak Borough Council – Leader of the Opposition
- East Midlands Chamber of Commerce
- Marketing Peak District & Derbyshire
- Derbyshire County Council
- University of Derby
- A representative of the Borough's Parish Council's
- A representative of the Borough's Community and Voluntary sector
- A representative of the Borough's Arts and Culture sector
- 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.

8.2.5 In addition to enable consideration of joint projects, it is proposed that a joint co-ordinating meeting be established with Derbyshire Dales District Council as previously this worked well under the Peak Leader programme.

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.