

HIGH PEAK BOROUGH COUNCIL

The Executive

30 November 2023

TITLE:	UKSPF Delivery and Procurement Update
EXECUTIVE COUNCILLOR:	Councillor McKeown - Council Leader HPBC
CONTACT OFFICER:	David Gibson - Principal Regeneration Officer (Interim)
WARDS INVOLVED:	All Wards

Appendices Attached – N/A

1. Reason for the Report

- 1.1 The report is provided to seek delegated approval for the awarding of contracts procured through the Shared Prosperity Fund (SPF).

2. Recommendation

- 2.1 It is recommended that delegated authority is granted to Executive Director (Place) in consultation with the Leader to make the contract award decisions for contracts which exceed the Council's Procurement Procedure Rules thresholds for requiring a delegated decision for award of contracts.

3. Executive Summary

- 3.1 High Peak Borough Council has been awarded £2,412,071 under the Shared Prosperity Fund (SPF). Approval to the allocation of SPF to projects submitted to the Department for Levelling Up, Housing and Communities (DLUHC) was given in January 2023 with the final deadline for all spending to be achieved being March 31st 2025. To date approximately 15% of the total allocation has been defrayed with around 35% committed to projects that have now been created and against which SPF grant is being spent.
- 3.2 To ensure full expenditure of the SPF grant a number of projects will need to be procured by the end of February 2024. These are listed below at table 1 of this report. The time required to complete the procurement process and obtain approval under normal procedures for award as set out in the Councils Procurement Procedures Rules for values exceeding £186,000 (i.e. Individual Executive Decision) would not permit enough time for contract approvals in consideration of sufficient time to ensure that all SPF grant can be spent by

the deadline.

- 3.3 It is considered and recommended that authorising delegated approval to make the award of contracts to the Executive Director (Place) in consultation with the Leader will speed up the procurement and contract award end to end process enabling grant expenditure to be maximised.

4.1 **How this report links to Corporate Priorities**

The report links to the following Corporate Plan priorities:

Aim 1: Supporting our communities to create a healthier, safer, cleaner High Peak. Projects included in the SPF programme of projects will introduce energy efficiency measures to reduce the cost of living for some households and strengthen social and community infrastructure through grants to local voluntary and community groups.

Aim 3: Protect and create jobs by supporting economic growth, development and regeneration. Projects included in the SPF programme of projects will stimulate economic growth, create new tourism opportunities and contribute to the increased viability of town centres.

Aim 4: Protect and improve the environment including responding to the climate emergency. Projects included within the programme of SPF projects will lead to reduced CO2 emissions, lead to the improvement of open spaces, support Active Travel and support the development of 'green' skills and business practices.

5. **Alternative Options**

- 5.1 The alternative option is the continuation of normal procurement and approval procedures by way of an Individual Executive Decision or Executive Report for each individual contract. This is likely to result in delays in contract award and consequently underspend of SPF grant.

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

None

6.2 Workforce

None

6.3 Equality and Diversity/Equality Impact Assessment

The UKSPF funding supports communities to thrive. A number of the funding interventions will support the Borough's most deprived communities and contribute to social mobility through skills and training.

6.4 Financial Considerations

High Peak Borough Council has been awarded £2,412,071 under the SPF. Approval to the allocation of SPF to projects submitted to the Department for Levelling Up, Housing and Communities (DLUHC) was given in January 2023 with the final deadline for all spending to be achieved being March 31st 2025. To date approximately 15% of the total allocation has been defrayed with around 35% committed to projects that have now been created and against which SPF grant is being spent.

The Council can 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.

The recommendation in this report seeks to mitigate against the risk of underspend by delegating authority to Executive Director (Place) in consultation with the Leader to make the contract award decisions.

Whilst it is very difficult to place an exact figure on the extent of any underspend that might be incurred through normal procurement and approval procedures, it could be in the order of hundreds of thousands of pounds.

6.5 Legal Considerations

The Memorandum of Understanding between DLUHC and the Council sets out milestones and spend / delivery timeframes. Through grant funding arrangements, the Council has mechanisms in place to recover funding in the unlikely event that beneficiaries do not comply with fund parameters, UK law or any local requirements.

Procurement activity will be completed in full accordance to the Council's Procurement Procedure Rules and for above threshold contracts the Public Contract Regulations 2015

6.6 Climate Change

No specific implications for this report. The UKSPF funding does however have funds to support a carbon resilient future.

6.7 Consultation

Not applicable

6.8 Risk Assessment

There is a risk register in place to support the UKSPF programme. A key risk identified is project underspend and potential loss of funding due to the challenging spend timeframes linked to the funding. The recommendation in this report seeks to mitigate against this risk by delegating authority to Executive Director (Place) in consultation with the Leader to make the contract award decisions.

Neil Rodgers
Executive Director (Place)

Web Links and Background Papers

UKSPF – Friday 22 July 2022

Contact details

David Gibson
Principal Regeneration Officer (Interim)
david.gibson@highpeak.gov.uk

7. **Detail**

7.1 High Peak Borough Council has been awarded £2,315,500 under the Shared Prosperity Fund. Approval to the allocation of SPF to projects submitted to the Department for Levelling Up, Housing and Communities (DLUHC) was given in January 2023 with the final deadline for all spending to be achieved being March 31st 2025. The allocation of grant is as follows:

- Communities and place - £1,042,931
- Supporting local business - £1,025,657
- People and skills - £247,000
- Total £2,315,588
- (inc. management and admin of £96,483 the total allocation would be £2,412,071)

To date approximately 15% of the total allocation has been approved with around 35% committed to projects that have now been created and against which SPF expenditure is now being incurred. To ensure full expenditure of the SPF grant a number of projects will need to be procured by the end of February 2024.

The time required to complete the procurement process and obtain approval under normal procedures for award as set out in the Councils Procurement Procedures Rules for values exceeding £186,000 (i.e. Individual Executive Decision) will not permit enough time for contract approvals in consideration of sufficient time to ensure that all SPF grant can be spent by the deadline. It is considered and recommended that authorising delegated approval for the award of contracts to Executive Director (Place) in consultation with the Leader will speed up the procurement and contract award end to end process

enabling grant expenditure to be maximised.

Table 1 lists projects requiring procurement. It is possible that some, notably the People and Skills projects (E33, E38, E39 and E41) could be rolled into a single procurement process. Further, there is potential that the People and Skills projects could be jointly tendered with Staffordshire Moorlands District Council or offer tendering parties the option to tender for both. This could help to drive efficiencies in terms of contract delivery and contract management. Procurement will be through an open tender process or via public-to-public contracting; both routes are in accordance and compliance with the Council's procurement rules, financial regulations and Public Contract Regulations.

A number of projects are still in the development stage and, as such, the preferred route to market has yet to be determined. Table 1 sets out the most likely options in relation to the different projects. Prior to procurement each project will be submitted to the High Peak UK Shared Prosperity Fund Board for approval.

Table 1. Projects requiring procurement

High Peak	2023/24		2024/25		Total		Total All Years	Route to Market
E29 Decarbonisation				£96,000	£0	£96,000	£96,000	Procurement through an extension of the MoU with Derbyshire County Council - Vision Derbyshire
E13 Community Measures to reduce the cost of living	£10,000	£76,312	£170,000	£109,719	£180,000	£186,031	£366,031	Full procurement under Council procurement procedures
E7 Active Travel	£40,000	£38,000	£40,000		£80,000	£38,000	£118,000	Full procurement under Council procurement procedures
E1 Improvements to town centres and high streets, including better accessibility	£0	£0	£30,000	£0	£30,000	£0	£30,000	Currently operating as a grant scheme with possibility of underspend. Procurement of any contingency projects will be HPBC or Derbyshire County Council
E3 Creation of and improvements to local green space			£100,000		£100,000	£0	£100,000	Depending on the sites identified, procurement options include HPBC, Derbyshire County Council and Town/Parish Councils
E33 Employment support for economically inactive people.		£31,132		£30,618	£0	£61,750	£61,750	These investments can be jointly procured with SMDC. A lead provider as part of a consortia will be requested. Procurement will be through normal Council procurement procedures
E38: Support for local areas to fund local skills needs.				£61,750	£0	£61,750	£61,750	
E39: Green skills courses				£61,750	£0	£61,750	£61,750	
E41: Funding to support local digital skills.				£61,750	£0	£61,750	£61,750	
Totals	£50,000	£145,444	£340,000	£421,587	£390,000	£567,031	£957,031	