

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF POLICY & FINANCE COMMITTEE ON 30 JUNE 2022

SUBJECT: UK Shared Prosperity Fund – Investment Plan

REPORT AUTHOR: Denise Vine – Group Head of Economy
DATE: June 2022
EXTN: 01903 737846
AREA: Directorate of Place

EXECUTIVE SUMMARY:

The Council is the lead authority responsible for preparing an Investment Plan identifying how the District's allocation of the UK Shared Prosperity Fund (UKSPF) will be used over the next 3 years. This report is advising the Committee of the details of the UKSPF and preparation of the Investment Plan.

RECOMMENDATIONS:

The Committee is asked to consider the following:

- (1) The outcome of consultation with local partners and note how the consultation has been taken into account in preparing the required Investment Plan, the priorities of the Government as set out in the 'outputs and outcomes' document and the priorities of this Council in determining the content of the Investment Plan;
- (2) Delegates to the Chief Executive in consultation with the Chairman of the Policy & Finance Committee authority to make any changes necessary to improve clarity, understanding and then submit the completed Investment Plan to the Government;
- (3) Accepts the UK Shared Prosperity Fund conditional grant from Government; and
- (4) Authorises the Chief Executive to process, assess and where appropriate approve applications for funding from local partners in accordance with the details of the approved Investment Plan.

1.0 BACKGROUND:

- 1.1 The UK Shared Prosperity Fund (UKSPF) is the Government's domestic replacement for the European Structural and Investment Programme (ESIF) which the UK continues to participate in until 2023. The ESIF programme was essential for local regeneration, employment and skills.

1.2 On the 13 April 2022 the Government launched the new UK Shared Prosperity Fund. The Department for Levelling Up, Housing and Communities (DLUHC) will oversee the Fund at UK level.

PRIORITIES OF THE UKSPF

1.3 The Government has now published the prospectus and allocations for the fund. The prospectus sets out the Government’s ambitions for the fund – to build pride in place and increase life chances across the country. This is to support the ambitions of the Levelling Up White Paper. The UKSPF intends to achieve this through the three priorities of:

- Community and Place
- Supporting Local Business
- People and Skills

1.4 The funding for the first two priorities will commence in 2022/23, while the ‘People and Skills’ priority will commence in 2024/25. The prospectus encourages lead authorities to work across boundaries and with different levels of local Government to agree and commission provision across a wider geography, especially for employment and skills provision.

DELIVERY OF FUNDING

1.5 The Council, as a lead authority, has been given the responsibility of developing a local Investment Plan setting out how the fund will be spent. This must be submitted between 30 June and 1 August 2022 in order to receive our allocation of the fund.

1.6 The Council has been conditionally allocated £1,083,399 to be spent over three years from April 2022 (some funding can be backdated) to March 2025. A breakdown of the yearly allocations, set by Government, is below.

Year 1 £	Year 2 £	Year 3 £	Total £
131,480	262,961	688,958	1,083,399

1.7 The Council will have responsibility for managing the fund, assessing and approving applications, processing payments and day-to-day monitoring. In partnership with local stakeholders, we will determine the scale of each intervention. The allocation comprises both revenue and capital funding.

1.8 Collaboration with different local authorities is encouraged by national Government. This could be used to deliver larger strategic projects or to reduce the burden or complexities of commissioning. This especially applies to activity related to business as well as employment and skills.

1.9 The Council will receive £20,000 to prepare the Investment Plan and 4% of the fund can be allocated for administration.

1.10 The Council is expected to work with a range of partners and organisations to develop our Investment Plan. Local Members of Parliament should also be consulted on the plan.

THE INVESTMENT PLAN

1.11 The plan will consist of three aspects:

1. Local context

This will set out the local challenges and opportunities using local evidence.

2. Selection of outcomes and interventions

The Council will identify the outcomes they want to achieve and the interventions they wish to prioritise using the evidence from the local context section.

3. Delivery

The Council will set out details to:

- approach to delivery and governance;
- expenditure and deliverables;
- capability and resource.

1.12 The Council will also need to demonstrate how the Investment Plan will contribute to the Government's net zero strategy and 25 year Environmental Plan, as well as how the Investment Plan will work with the natural environment. The Council will be required to understand the impact the plan will have on nature, as well as their duties under the Equality Act 2010.

1.13 The Council will also be expected to work closely with the Department for Work and Pensions in the planning and delivery of employment interventions to ensure alignment with mainstream employment provision.

1.14 The Council is being given responsibility for developing the Investment Plan for approval by the Government, and for delivery of the Fund thereafter. This recognises that pride in place and increasing life chances can be best achieved by delivery close to local people and businesses; by authorities that understand each place's unique local context and identity, and with established governance.

1.15 The Council can determine, with partners, the most appropriate scale for each intervention – for example, regional, local or through collaboration with other places or bodies to deliver specific interventions.

1.16 Our allocation can comprise both revenue and capital funding and we can decide upon the preferred mix of funding in the Investment Plan. The Investment Plan must, however, identify a minimum percentage of capital funding each year in line with the overall split of revenue and capital determined by UKSPF.

1.17 DLUHC will be issuing more technical guidance over the summer and have recommended not to submit our Investment Plan early to reflect this.

1.18 The prospectus document (see Appendix A) lists the selected interventions and suggested initial projects. It sets out 41 Interventions with Outputs and Outcomes that align with Governments three priorities i.e. Community and Place, Supporting Local Business & People and Skills. It is suggested these are chosen from to inform the Investment Plan if they align with local priorities and are supported.

1.19 Some interventions may only require small amounts of funding and it should be kept in focus the monitoring, reporting and evaluation requirements by Government against the proportionate value of the project.

CONSULTATION WITH LOCAL PARTNERS AND STAKEHOLDERS

1.20 The Council has begun consulting with a range of local partners and stakeholders to gather their input and expressions of interest into the Investment Plan (See list of consultees in Appendix B). This was to identify emerging themes that meet the requirements of the fund and the Council vision priorities.

1.21 Contact was made on 13 May 2022 and consultees were asked to reply with their expressions of interest by 10 June 2022.

1.22 They were asked to provide:

1. A brief description of the project they are proposing.
2. Identification of the intervention from the list that most aligns with their proposal (if any).
3. The estimated value of the project (over each year).
4. If it is a capital or revenue project.
5. The financial year(s) the project would be delivered – either 23/24 or 24/25. (Because of the tight timeline for use of the funding this financial year the Council indicated that it would prefer not to receive proposals for expenditure in 22/23 but would consider projects if it were considered essential).

2. PROPOSAL(S):

2.1 The Council will take into consideration the feedback from our stakeholders based on the range of inventions they have put forward and the local needs and opportunities. This will be used to identify the themes and focus of the Investment Plan. It will not identify specific deliver interventions at this stage.

2.2 Based on the consultation, the plan will broadly set out measurable outcomes that reflect local needs and opportunities and a budget that may be set against each theme.

2.3 The Council will also ensure the Investment Plan aligns with the relevant Council corporate and economic development strategy priorities.

2.4	After the Investment Plan has been approved by Government, stakeholders will be invited to submit more detailed proposals that will be used to assess their projects for feasibility, deliverability, output & outcomes and monitoring mechanisms.		
2.5	The Investment Plan must be submitted by 1 August 2022 and lead authorities will be notified by October 2022 if their Plan has been accepted. The Council may spend this year's (22/23) allocation on any expenditure that has occurred since 1 April 2022 on projects included in the Investment Plan, but this is at the project partners risk prior to the plan being accepted.		
3.	OPTIONS:		
3.1.	Not to approve the recommendations and risk access to the grant funding.		
3.2	Approve the recommendations and ensure a range of interventions are delivered locally that support the Council Vision Objectives and Outcomes.		
4.	CONSULTATION:		
Has consultation been undertaken with:		YES	NO
Relevant Town/Parish Council		x	
Relevant District Ward Councillors			
Other groups/persons (please specify) (as listed in the consultation list)		x	
5.	ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial		x	
Legal		x	
Human Rights/Equality Impact Assessment			x
Community Safety including Section 17 of Crime & Disorder Act			x
Sustainability			x
Asset Management/Property/Land			x
Technology			x
Other (please explain)			x
6.	IMPLICATIONS:		
6.1	The Council will receive the funding outlined in the Background Section. Care will be taken to ensure the spending is contained within the allocation and to the agreed proportions of revenue and capital.		
6.2	The Council will become the lead authority for the Arun District allocation of the UKSPF and, therefore, will be required to monitor the delivery of the Investment Plan, proper use of public funds, evaluation of the impact of the plan and report this back to Government.		

Legal

- 6.3 The UK Shared Prosperity Fund (UKSPF or the Fund) is the UK Government's support for "places" across the UK. It provides new funding for local investment by March 2025, with all areas of the UK receiving a conditional allocation from the Fund via a funding formula rather than a competition
- 6.4 ADC is a "place" and has received a conditional allocation from the UKSPF of £1,083,399. To access this allocation, each place is asked to set out measurable outcomes that reflect local needs and opportunities. These should inform the interventions they wish to deliver. These interventions will be set out in an Investment Plan submitted to the UK Government for approval. When approved, the funds will be released.
- 6.5 Part of the preparation includes consulting with partners. The following are the legal principles of a lawful consultation. (1) Consultation must take place when the proposal is still at a formative stage (2) Sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response (3) Adequate time must be given for consideration and response (4) The product of consultation must be conscientiously taken into account.

7. REASON FOR THE DECISION:

- 7.1 The Investment Plan will support the delivery of the Council Vision 2022 – 2026 Objectives and Outcomes.

8. BACKGROUND PAPERS:

Appendix A - The prospectus 41 Interventions with Outputs and Outcomes.

Appendix B - List of consultees.

Appendix C - Corporate Vision 2022 - 2026 Objectives and outcomes.