



COUNCIL: 19 July 2023

Report of: Corporate Director of Transformation, Housing & Resources

Relevant Portfolio Holder: Councillor Rob Molloy

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SUBJECT: UK Shared Prosperity and Rural England Prosperity Fund

Wards affected: Whole Borough

1.0 PURPOSE OF THE REPORT

1.1 To seek approval for the Council's proposed delivery of the UK Shared Prosperity Fund ('UKSPF') and Rural England Prosperity Fund ('REPF') investment programme

2.0 RECOMMENDATIONS TO COUNCIL

2.1 That the spending and investment proposals and all other associated work(s) required to deliver, award, manage and monitor both the UK Shared Prosperity Fund (£4.25m) and Rural England Prosperity Fund (£441,630) set out in this Report and Appendices be approved.

2.2 Thereafter, the Corporate Director of Transformation, Housing and Resources, in consultation with the portfolio holder be granted delegated authority to amend the investment proposals/plan as deemed appropriate

2.3 That the Corporate Director of Transformation, Housing and Resources be given delegated authority to procure specialist support and advice, to ensure the programmes of work can be implemented and meet the UKSPF framework and timescales. The cost of which will be taken from the over-all administration and management fees allocation.

2.4 That West Lancashire Partnership Board are appointed to act as the Independent Local Partnership Board. The role of the Board will be to provide guidance and advice on the strategic fit and deliverability of the activities funded by UK Shared Prosperity Fund.

- 2.5 That the Corporate Director of Transformation, Housing and Resources in consultation with the Portfolio Holder be granted delegated authority to make alternative arrangements for the provision of an Independent Partnership Board if at any time the West Lancashire Partnership Board are either unwilling or unable to carry out that function.

3.0 BACKGROUND - UK Shared Prosperity Fund

- 3.1 UK Shared Prosperity Fund (UKSPF) was launched in April 2022 and forms part of the Government's levelling up approach, succeeding the European Union structural funds.
- 3.2 It is the Government's intention that UKSPF enables investment in domestic priorities with a specific focus on: building pride in place, supporting high quality skills training, supporting pay, employment, and productivity growth, and increasing people's life chances.
- 3.3 In September 2022 the Council was required to submit an Investment Plan for UKSPF to the Department of Levelling Up Housing & Communities (DLUHC). Due to shortened timescales officers consulted with the Leader and opposition group Leaders and gained consent to submit on outline Investment Plan for West Lancashire.
- 3.4 West Lancashire's investment plan was approved in January 23, and the Council was successful in securing £4.256 million of UKSPF in March 23. Members are asked to note that with the agreement of DLUHC a proportion of this funding can be used to pay for the administrative costs of delivering the programme of work which includes the appointment of staff to carry out the required works. In addition, there is a cap of 36% spend against capital works in year one and 64% in year two.
- 3.5 The Council's UKSPF investment plan is required to deliver against the three priority areas set by Government of:
- Communities and Place
 - Supporting Local Business
 - People & Skills

A summary of the investment plan is presented in section 8 with a more detailed overview outlined in appendix B.

- 3.6 Under each priority are a set of pre-defined interventions that will inform what the Council aims to deliver and sets out measurable outcomes to reflect local needs and opportunities. The interventions the Council intends to focus on are as follows:

Communities & Place

- E1: Improvements to Town Centres & High Streets

- E2: Community & Neighbourhood infrastructure projects
- E3: Creation of and Improvements to local green spaces
- E6: Local Arts, Cultural, Heritage & Creative Activities
- E7: Support for active travel enhancements in local area
- E9: Impactful volunteering and/or social action projects
- E10: Local sports facilities, tournaments, teams & leagues
- E11: Capacity building & infrastructure support local groups
- E13: Community measures to reduce the cost of living
- E14: Relevant feasibility studies

Supporting Local Businesses

- E17: Development & promotion of visitor economy
- E21: Development of innovation infrastructure at a local level
- E23: Strengthening local entrepreneurial ecosystems
- E29: Supporting decarbonisation & improving the natural environment
- E30: Business support measures to drive employment growth
- E24: Training hubs, business support offers, incubators & accelerators
- E26: Growing the local social economy

People & Skills

- E33: Employment support for economically inactive people
- E34: Courses including basic, life & career skills
- E35: Enrichment & volunteering activities
- E36: Increase levels of digital inclusion, essential digital skills
- E37: Tailored support for the employed to access courses
- E38: Local areas to fund local skills needs
- E39: Green skills courses

3.7 Flexibility needs to be maintained in respect of the ongoing spend priorities within the three priority areas. Authority is therefore sought to allow the Corporate Director of Transformation, Housing and Resources to make on going amendments to the pre-defined interventions within the agreed spending profiles set out at Section 8 below.

3.8 The programme runs until 31 March 2025. Should UKSPF funds remain unspent on 31 March 2025, current guidance states that underspends will be returned to DLUHC.

3.9 It is intended that a further report will be taken to Corporate Overview & Scrutiny Committee every 6 months In order to keep Members appraised of progress regarding the delivery of both the UKSP and REPF.

4.0 Rural England Prosperity Fund

4.1 Rural England Prosperity Fund (REPF) was launched in September 22 and is a top up to the UKSPF. This fund is available to eligible local authorities across England. It succeeds European Union funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England.

- 4.2 The purpose of REPF twofold, firstly to support new and improved community infrastructure, providing essential community services and assets for local people and businesses. Secondly, to support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. As such the REPF objectives sit within two of the UKSPF investment priorities, these being:
- Communities and Place
 - Supporting Local Business
- 4.3 West Lancashire's REPF addendum application was submitted in November 22 and was successful in securing £441,630 of REPF in April 23.
- 4.4 The interventions the Council intends to focus on are:
- E23 - strengthening local entrepreneurial ecosystems
 - E17 - Funding (capital grants) for the development and promotion (both trade and consumer) of the visitor economy
- 4.5 Both UKSPF and REPF funding will be aligned for reporting purposes as is required through the national government reporting framework.
- 5.5 REPF must be used to fund capital projects for small businesses and community infrastructure and will help to improve productivity and strengthen the rural economy and rural communities.
- 5.6 The allocation of £441,630 will cover the financial years 2023/24 and 2024/25. It is expected that 25% of the allocation will be provided for the financial year 2023/24, with the remainder being made available for 2024/25.
- 5.8 Current guidance states any underspend at the end of each financial year will need to be returned to Central Government.

6.0 UKSPF & REPF administration and management

- 6.1 The Council have agreed in principle with DLUHC an outline staffing structure to support the implementation and management of the funding. This structure equates to circa 8.8% of the UKSPF funding allocation (not REPF). The structure comprises four posts that will focus on project management & support, business and third sector engagement, procurement & contract management, monitoring & evaluation.
- 6.2 To date the Council has appointed to one of the roles, following approval from Council the additional 3 roles will be recruited to in due course.

7.0 Delivery, Monitoring and Evaluation

- 7.1 The Director of Transformation, Housing & Resources will have overall responsibility for the delivery, monitoring and evaluation of the programme. A

programme team of internal officers has been established who will manage and deliver UKPSF & REPF projects on a day-to-day basis. This team is supported by specialist council services such as legal, procurement and communications.

- 7.2 Quarterly returns are required to be submitted to DLUHC as part of the overall monitoring of this programme.
- 7.3 As stated above the Corporate and Environmental Overview and Scrutiny will be informed on UKSPF / REPF progress and performance on a six-monthly basis.
- 7.4 As part of the UKSPF Governance procedures, the Council is required to have an Independent Local Partnership Board established that is fully represented by communities, private / public & third sector, with terms of reference that will oversee and meet UKSPF/REPF needs.
- 7.5 It is therefore the intention of the Council to invite the West Lancashire Partnership Board to undertake this function. The role of the Board will be to provide guidance and advice on the strategic fit and deliverability of the activities funded by UK Shared Prosperity Fund. Authority is sought for the Corporate Director of Transformation, Housing and Resources in consultation with the Portfolio Holder to make alternative arrangements in the event that either the invitation to West Lancashire Partnership Board is either not accepted or if at any time in the future they are unable or unwilling to undertake this work,

8.0 Total funds allocated to the Council

- 8.1 Through a process of consultation with the Corporate Director of Transformation, Housing and Resources and oversight from the Head of Finance, Procurement and Commercial Services, Officers have reprofiled the Year 1 underspend to the value of £516,591.00 into Year 2 with the following levels of investment against each priority:

Table 1

Stream	Total Allocation Year 2	Total Allocation Year 3	Total
Communities and Place	£1,055,778	£1,290,777	£2,346,555
Local Business	£ 516,500	£ 799,067	£1,315,567
People and Skills	£0	£594,587	£594,587
Total	£1,572,278	£2,684,431	£4,256,709

Table 2

Stream	Total Allocation Year 2	Total Allocation Year 3	Total
REPF	£110,408	£331,222	£441,630

8.2 Building on the details provided in Table 1 & 2 a list of interventions (set by DLUHC) and proposed projects of work and budget allocation can be found in Appendix B.

8.3 Table 1 highlights a total of £2,346m has been allocated against communities and place initiatives, £710k of which will be available as grant allocation to the community and voluntary sector. This increased level of funding will supersede the Community Voluntary Grants funding which has previously been provided by the Council. £936k of the funding for local businesses will be used to support valuable existing business support services. The people and skills funding will enable to continuation of the Council's highly successful More Positive Together project supporting people into employment.

9.0 Next Steps

9.1 The UKSPF/REPF programme team have developed a project plan in readiness to invest the funding outlined in section 8 of this report.

9.2 Pending approval, the following key actions will be progressed within the outlined indicative timescales:

July/August 2023

<ul style="list-style-type: none">• Initiate recruitment dedicated UKSPF/REPF officer team
<ul style="list-style-type: none">• Commence procurement
<ul style="list-style-type: none">• Commence delivery and implementation of Yr2 in house projects where appropriate
<ul style="list-style-type: none">• Deliver community workshops to promote grant funding opportunities
<ul style="list-style-type: none">• Receive UKSPF Funds for Yr2

September/October 2023

<ul style="list-style-type: none">• Open funds/application process for Community Grants
<ul style="list-style-type: none">• Award/procure Business strand projects to enable start of delivery

November / December 2023

<ul style="list-style-type: none">• Award Community Grants
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January, February, March 2024

<ul style="list-style-type: none">• Begin delivery of People and Skills Programmes
<ul style="list-style-type: none">• Prepare to launch year 3 funds

*Timescales may vary due to the month in which the Council receives the Year 2 funding allocation from DLUHC.

10.0 FINANCIAL AND RESOURCE IMPLICATIONS

10.1 The Council will ensure that proper arrangements are in place to monitor, record and report upon the progress and spending against each individual scheme. Robust controls will be put in place to ensure that monies are used in accordance with the agreed plan and that agreed outcomes are monitored effectively.

10.2 The Section 151 Officer will sign off all returns to DHLUC, to confirm approval of spend against agreed criteria.

11.0 RISK ASSESSMENT

11.1 A programme risk log is being developed as part of the designing of the programme controls. The most prominent risks associated with UKSPF and REPF funding are identified below.

11.2 Risk - Failure to spend all UKSPF funding by 31st March 2025/failure to spend annual allocation of REPF funding, resulting in funds being returned to central government.

- Impact:
 - Adverse impact on outcomes experienced by residents, communities, and businesses.
 - Adverse impact of cost-of-living crisis on communities and businesses to be more acute.
 - Risks to the sustainability of third sector organisations and businesses.
 - Reduced ability of the Council to take active steps to meet net zero - commitments.
 - Reputational risk to Council.
- Mitigations
 - Development of UKSPF/REPF investment programme.
 - Development of UKSPF credible plan for 2022/23 underspends.
 - Delivery resourced appropriately
 - A commitment to allocate to capital projects identified in the plan by end of March 2025
 - Council to take steps to ensure readiness to implement investment programme from July 2023.

11.3 Risk - Cost inflation (capital, staff costs etc.) rising at levels higher than anticipated within Investment Plan and Addendum.

- Impact:
 - Intended projects are unable to be delivered within indicative funding envelopes.
 - The level of outputs and outcomes identified within the bid cannot be achieved.
- Mitigations:
 - A reasonable expectation for level of inflation has been built into project financials.
 - Ongoing market engagement to ensure that budgets and expectations are achievable.

11.4 Risk - Insufficient demand for services/support/grants funded through UKSPF and REPF. Communities, businesses and local partners do not require access to the services delivered or procured by the Council.

- Impact:
 - The Council is unable to achieve the intended level of benefits (outputs and outcomes) identified within the Investment Plan and Addendum.
 - The Council is required to return underspends to central government, due to a lack of activity across the projects/investment programme.
- Mitigations:
 - Prioritise the Council's ability to implement each project by July 2023.
 - Prioritise awareness raising across intended recipient groups (communities, third sector organisations, businesses).

11.5 Risk – Insufficient staff capacity to provide appropriate levels of contract management.

- Impact:

The Council may be unable to effectively monitor and evaluate the impact of the awards and funds.

- Inability to provide sufficient evidence against UKSPF Outcomes and Outputs
- Staff welfare and impact on the ability to continue to deliver other Council priorities.

- Mitigations

- Utilise specialist support opportunities within the administrative allocation
- Appointment of additional officer resource to support the delivery, monitoring and reporting of UKSPF.
- Embed a robust monitoring and evaluation process within the procured contracts/services
- Utilise the Councils social return on investment platform to collate evidence.

12.0 SUSTAINABILITY IMPLICATIONS

12.1 Through the implementation of this funding, it is envisaged that more environmentally sustainable communities and the economy will be created through the investment in green infrastructure, community initiatives and operating practices.

12.2 Key areas of focus for this investment are developing people and skills within the borough to meet emerging employment needs and address the underlying causes of worklessness.

6.3 The focus on promoting volunteering and financially supporting the third sector promote local empowerment and community ownership which has the potential to deliver greater long-term outcomes.

6.4 Support for local business to grow and thrive in an environmentally friendly way is a key focus of elements of this funding.

13.0 HEALTH AND WELLBEING IMPLICATIONS

- 13.1 The proposal will have health and wellbeing benefits across all wards of the authority as it promotes and supports businesses, people and communities to access opportunities meet local priorities.

Appendix A – Equality Impact Assessment
Appendix B – UKSPF & REPF Investment Plan