

Overview and Scrutiny
2022

24 October

Update on the UK Shared Prosperity Fund

Relevant Portfolio Holder	Councillor Karen May, Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ostap Paparega Head of North Worcestershire Economic Development & Regeneration
Report Author	Job Title: Georgina Harris Contact email: georgina.harris@nwedr.org.uk Contact Tel: 01562 732174
Wards Affected	No specific ward relevance
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Run and Grow a Successful Business Work and Financial Independence Communities which are Safe, Well Maintained and Green
Key Decision / Non-Key Decision? Not applicable	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Overview and Scrutiny Board note the contents of this report.

2. BACKGROUND

- 2.1 In April 2022, the Government published the prospectus for the UK Shared Prosperity Fund. The fund is a central pillar in the Government's Levelling Up agenda and replaces EU Structural Funds.
- 2.2 The UK Shared Prosperity Fund has the overarching objective of building pride in place and increasing life chances. It focusses on the 3 investment priorities of Community and Place, Supporting Local Business, and People and Skills.
- 2.3 Bromsgrove District has been allocated £2,805,712 over the three year period from 1 April 2022 to 31 March 2025. To access this allocation, the Council was required to produce an investment plan setting out how the fund would be used and the expected outcomes of the expenditure.

- 2.4 To support the preparation of the investment plan, partners and stakeholders were invited to submit evidence of a local challenge or opportunity and propose projects that would address these. This information helped to inform the plan.
- 2.5 The investment plan includes 23 interventions which are broad areas of investment where the fund will be spent. These interventions are spread across the 3 investment priorities. The plan also details the outcomes that the expenditure will achieve. We were not required to include any specific projects in the plan.
- 2.6 The Investment Plan was approved by Cabinet in July 2022 and, following endorsement by the Bromsgrove Partnership acting as the Local Partnership Board, was submitted to Government for approval on 1 August 2022. At the time of writing this report we have not yet received approval but the Government has stated that they will be issuing approvals from October onwards.
- 2.7 In anticipation of approval of the investment plan, it is necessary to now focus on delivery of the fund. Due to the challenging timeframe for submission of the investment plan, the initial call for projects was open for a very short time. Subsequently, several organisations have indicated that they were unable to prepare a project submission within the timeframe given. To ensure as wide a range of projects as possible, a second call for projects is now open and will close on 14 November 2022.
- 2.8 Information about the call for projects has been shared with over 200 organisations and promoted via the NWedR website and social media. A webinar providing advice and guidance for organisations wishing to submit a project proposal was held on 18 October 2022.
- 2.9 Once the call for projects has closed, all submissions will be assessed for strategic fit, deliverability and value for money. This process will be overseen by Bromsgrove Partnership in its capacity as local partnership group.
- 2.10 Organisations will be notified as to whether their project has been selected following the assessment process.

3. FINANCIAL IMPLICATIONS

- 3.1 The allocation for the district of Bromsgrove is £2,805,712 for the 3 years 2022/23, 2023/24 and 2024/25.
- 3.2 The funding is broken down as follows:

**Overview and Scrutiny
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2022/23	£340,499
2023/24	£680,998
2024/25	£1,784,215

3.3 The indicative allocations over the 3 Investment Priorities are:

Investment Priority	Expenditure
Communities & Place	£1,080,000
Supporting Local Business	£808,000
People & Skills	£808,000
Total	£2,696,000

3.4 The fund is sufficiently flexible to allow for changing local priorities and plans. Up to 30% of the total funding allocation can be moved between investment priorities without requiring approval from DLUHC. However, if the change results in a drop of 20% or more in total outputs against an investment intervention, consent must be sought.

3.5 The proposed split between capital expenditure and revenue expenditure, over the 3 years of the fund, is:

Year	Capital	Revenue	Total
2022/23	£40,000	£285,500	£325,500
2023/24	£236,000	£417,000	£653,000
2024/25	£372,000	£1,345,500	£1,717,500
Total	£648,000	£2,048,000	£2,696,000

3.6 The Lead Local Authority is expected to establish effective programme management methods and achieve spend to profile. If there is an underspend at the end of the year, it can be carried over into the following year. However, the Government will require a credible plan setting out how the underspend will be utilised the following year. Payment of the next year's allocation may be withheld until this plan is agreed.

3.6 The delivery of the Investment Plan should be cost neutral to the Council. A maximum of 4% of the allocation can be used by the Council to administer the fund. This equates to £112,228.48.

4. LEGAL IMPLICATIONS

- 4.1 Once the investment plan has been approved by Government, the Council will be required to enter into an agreement with the Department for Levelling Up, Housing and Communities to deliver the interventions included in the plan. Appropriate legal advice will be sought prior to entering any legal agreement.
- 4.2 Delivery of the investment plan may require the Council to enter into contracts or other agreements with external organisations. The awarding of contracts or other agreements will be subject to the Council's procurement rules and subject to appropriate due diligence.
- 4.3 Funding agreements with project delivery organisations cannot be issued until the funding agreement with DLUHC is in place. However, organisations may, if they wish, commence delivery at risk.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Investment Plan proposes a range of business support programmes which will help entrepreneurs to start-up and grow existing businesses. Support will be available to help businesses to innovate and implement low carbon strategies. The interventions will contribute to the Council's strategic purpose "Run and Grow a Successful Business".
- 5.2 The Investment Plan proposes programmes of support to assist those furthest from employment and to help individuals to upskill. The interventions will contribute to the Council's strategic purpose "Work and Financial Independence".
- 5.3 The Investment Plan proposes investment in improvements to public spaces and to reduce crime. The interventions will contribute to the Council's strategic purpose "Communities which are Safe, Well Maintained and Green"

Climate Change Implications

- 5.4 The investment plan includes interventions that will improve green spaces, reduce energy use by both residents and businesses and support businesses to develop carbon reducing technologies.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 Equality and diversity implications will be considered throughout the delivery of the plan.

Operational Implications

- 6.2 Additional officer resource is required to support the administration and delivery of the investment plan. This resource will be funded from the 4% of the Council's UK Share Prosperity Fund allocation that can be set aside for administration of the fund.

7. RISK MANAGEMENT

- 7.1 The Council will need to implement appropriate programme and project management arrangements for the UKSPF allocation for Bromsgrove, in order to manage risks relating to the funding programme and to any projects for which it is directly responsible.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 UK Shared Prosperity Fund Investment Plan

[UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/94242/UK_Shared_Prosperty_Fund_prospectus.pdf)

Overview and Scrutiny
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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Karen May, Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships	6/10/22
Lead Director / Head of Service	Ostap Paparega Head of North Worcestershire Economic Development & Regeneration	6/10/22
Financial Services	Peter Carpenter Interim Director of Finances	6/10/22
Legal Services	Claire Felton Head of Legal, Democratic and Property Services	6/10/22
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)	Kath Manning Climate Change and Energy Support Officer	6/10/22