

# Executive Committee 2022

**26 July**

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## UK Shared Prosperity Fund

Relevant Portfolio Holder	Councillor Matthew Dormer Portfolio Holder for Planning, Economic Development, Commercialism and 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 Aspiration, Work and Financial Independence Communities which are Safe, Well Maintained and Green
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

### 1. RECOMMENDATIONS

**The Executive Committee is asked to RESOLVE that**

- 1) The Investment Plan (Appendix 1) is approved for submission to the UK Government**
- 2) Authority to finalise the Investment plan be delegated to the Head of North Worcestershire Economic Development & Regeneration following consultation with the Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships and in light of advice from the Local Partnership Board**
- 3) Authority to develop projects to deliver the outcomes contained in the investment plan be delegated to the Head of North Worcestershire Economic Development & Regeneration following consultation with the Portfolio Holder for Economic**

**Development, Regeneration and Strategic Partnerships and in light of advice from the Local Partnership Board  
The Executive Committee is asked to RECOMMEND that**

**4) The Medium Term Financial Strategy is amended to include the UK Shared Prosperity Fund Allocation when next reviewed.**

**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 Each area has been given a conditional allocation from the fund. To access their allocation, lead local authorities are required to produce an investment plan setting out how they intend to use the funding and expected outcomes of the investments.
- 2.4 The investment plan should detail the high level ambitions for the area and identify the outcomes to be targeted based on local challenges and opportunities. It is not required to be an exhaustive document containing detailed project or intervention planning.
- 2.5 The Government has provided a list of 41 potential interventions. These are broad areas of investment such as "funding for improvements to town centres and high streets" and "strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development". Places are required to prioritise those interventions that will deliver the outcomes they wish to target. Appendix 2 is a list of the 41 potential interventions, including details of those that have been selected.
- 2.6 Interventions in Year 1 (2022/23) are limited to the investment priorities of Community and Place; and Supporting Local Business. Interventions in Year 2 (2023/24) may include the People and Skills priority but only where continuing a programme that is currently funded by the European Social Fund and delivered by the Voluntary and Community Sector. Interventions in Year 3 (2024/25) can cover all three investment priorities.

- 2.7 The UK Shared Prosperity Fund can fund both capital and revenue projects. However, the Lead Local Authority is required to identify a minimum percentage of capital projects each year. In Year 1 this is a minimum of 10% of the funding, 13% in Year 2 and 20% in Year 3.
- 2.8 To support the process of selecting the most appropriate interventions, stakeholders have been consulted and were invited to submit projects that could deliver at least one of the 41 interventions. Their proposals were required to provide evidence of a local challenge or opportunity that the project would address.
- 2.9 The proposed investment plan (Appendix 1) includes those interventions that will produce measurable outcomes that reflect the needs and opportunities of the area.
- 2.10 The Government requires the investment plan to be endorsed by a Local Partnership Group. This group should include stakeholders such as representatives of the local authority, businesses, LEPs, and the voluntary sector.
- 2.11 The role of the Local Partnership Group is to provide local insight and expertise in identifying challenges and opportunities and the right solutions for inclusion in the Investment Plan. Once the plan is approved, the group should advise the Lead Local Authority on strategic fit and deliverability. The Town Deal board has agreed to extend its terms of reference to include the Local Partnership Group role.
- 2.12 Endorsement of the proposed investment plan will be sought from the local MP and Local Partnership Group prior to submission to the UK Government.

**3. FINANCIAL IMPLICATIONS**

3.1 The allocation for the Borough of Redditch is £2,502,050 for the 3 years 2022/23, 2023/24 and 2024/25.

3.2 The funding is broken down as follows:

2022/23	£303,647
2023/24	£607,294
2024/25	£1,591,109

3.3 The indicative allocations over the 3 Investment Priorities are:

Investment Priority	Expenditure
Communities & Place	£960,000
Supporting Local Business	£720,000
People & Skills	£720,000
Total	£2,400,000

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

Year	Capital	Revenue	Total
2022/23	£107,000	£184,500	£291,500
2023/24	£328,000	£255,000	£583,000
2024/25	£723,000	£802,500	£1,525,500
Total	£1,158,000	£1,242,000	£2,400,000

- 3.5 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 £100,082. Setting up the Fund may need a larger administration budget in the first year than in later years. This is acceptable so long as the percentage is not exceeded overall.

#### **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 Failure to submit the Investment Plan to Government by the deadline of 1 August 2022 will delay approval of the plan and receipt of the funding.

**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 "Aspiration, Work and Financial Independence".
- 5.3 The Investment Plan proposes investment in improvements to public spaces and 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 One FTE role is required to support the administration and delivery of the investment plan. This post 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 Failure to submit an Investment Plan by the deadline will delay approval of the investment plan and the receipt of the funding. Any delay in receipt of the funding in may impact deliverability in this financial year which, in turn, may impact receipt of funding the following year.
- 7.2 The Council will need to implement appropriate programme and project management arrangements for the UKSPF allocation for Redditch, 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

Appendix 2 List of Interventions

UK Shared Prosperity Fund Prospectus

[UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/102424/uk-sp-fund-prospectus)

UK Shared Prosperity Fund Interventions, Objectives, Outcomes and Outputs

[UK Shared Prosperity Fund: interventions, outputs and indicators - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/102424/uk-sp-fund-interventions-objectives-outcomes-and-outputs)

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**9. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		