



Overview and Scrutiny Committee

Thursday, 21st July, 2022

MINUTES

Present:

Councillor Bill Hartnett (Chair), Councillor Joanna Kane (Vice-Chair) and Councillors Salman Akbar, Imran Altaf, Michael Chalk, Brandon Clayton, Luke Court and Sid Khan

Also Present:

Councillor Matthew Dormer (Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships)

Officers:

Ruth Bamford and Kevin Dicks

Principal Democratic Services Officer:

Jess Bayley-Hill

35. PRE-DECISION SCRUTINY - UK SHARED PROSPERITY FUND (TO FOLLOW)

The Head of Planning, Regeneration and Leisure Services presented a report on the subject of the UK Shared Prosperity Fund.

The Committee was advised that the UK Shared Prosperity Fund formed part of the national Levelling Up scheme. Redditch had been allocated £2.5 million under the UK Shared Prosperity Fund. In order to access this funding, the Council, as the accountable body, needed to submit an investment plan to the Government detailing how the funding would be spent at the local level.

The investment plan was a high level, strategic document. At this stage, specific projects would not be referred to in the plan. Instead, the Council needed to demonstrate how the proposed use of the funding in the Borough matched key interventions that had been identified by the Government. The funding also had to be allocated in accordance with three investment priorities for the Government; Community and Place, Supporting Local Business and People and Skills. Projects had not yet been agreed for

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funding although some partner organisations had submitted ideas for projects that could be funded locally.

Officers were proposing that in Redditch the funding should be allocated on a ratio of 40 per cent devoted to Community and Place, 30 per cent allocated to Supporting Local Business and 30 per cent allocated to People and Skills. The Government's interventions had been assessed by Officers who had identified those considered to be most relevant to the Borough. The Council could choose from up to 41 interventions proposed by the Government, although some of the project in the Borough would potentially be cross cutting and relevant to a number of interventions. Recently the Government had advised the Council that the proportion of focus allocated to each of the three investment priorities as well as the links to the key interventions could be changed at a later date after the investment plan had been submitted.

After the report had been presented, Members discussed the following points in detail:

- The extent to which Redditch was guaranteed to receive the £2.5 million funding that had been allocated to the Borough. Members were informed that Redditch would receive that full allocation of funding.
- The consequences arising from submission of an investment plan by a Council that was not endorsed by the Government. The Committee was advised that the Council would update the plan and continue to resubmit the document, subject to necessary changes, until the Government approved the content.
- The length of time in which the UK Shared Prosperity Fund would be available. Officers advised that funding would be available over a three-year period, starting in 2022/23.
- The division of funding between capital and revenue expenditure.
- The challenges for the Council in terms of ensuring the sustainability of projects that received funding after the end of the three-year period. Members were informed that this issue had been raised with the Government and local authorities had been advised that this would be addressed in the spending review.
- The consequences arising should the Council fail to demonstrate that the targets for expenditure of the funding were being met. Officers explained that submissions would need to be made to the Department for Levelling Up, Housing and Communities (DLUHC) and, as long as appropriate data

was provided, the Council would be able to demonstrate that targets were being met. There would also be a need for an ongoing audit of the use of the funding.

- The use of colour in the report and the fact that this could not be viewed by Members in printed copies of the agenda pack as these were always printed in black and white.
- The 30 per cent increase in wages reported for the Borough in 2020/2021, which had been recorded as an anomaly, and the reasons for this increase. Members were informed that a significant number of residents worked in the food and beverage industry, for which there had been high demand for services during the pandemic. The suggestion was also made that the furlough scheme may have impacted on these figures.
- The reasons why the project submissions that had already been made by partner organisations had not yet been assessed. The Committee was informed that there was a need to assess submissions in relation to criteria and that one purpose of the report was to set the criteria for this. Officers also explained that there had been some consideration given to the project submissions and that this had helped to inform the proposals detailed in the report.
- The extent to which the report, without endorsing specific projects, appeared to be proactive. Officers were urged to review the wording of the document to ensure that it was positive and proactive.
- The potential for businesses and new enterprises to bid for funding under the scheme to support exports abroad. Members were advised that the Government had not stipulated a preference in terms of businesses operating in domestic markets only or abroad. Instead, the focus was more on encouraging economic development and skills growth.
- The timeframes by which the Council would be notified about whether the investment plan had been accepted by the Government. Officers clarified that they were anticipating that the Council would be informed about the Government's decision by autumn 2022.
- The extent to which it would be appropriate for the Council to indicate that the scheme locally would work to meet more interventions. The Committee was advised that Officers had identified those interventions considered most appropriate for the Borough and the number selected helped to demonstrate that there was some focus in the proposed approach.
- The role of the Town's Board in respect of decisions on use of the UK Shared Prosperity Fund. Officers advised that the Town's Board would be consulted, although the Council was the accountable body.

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- The extent to which the Council could ensure that projects would be submitted and approved that would result in good quality outcomes for the Borough.
- The requirement for the funding to be spent in the three-year period of the scheme, including 2022/23 and the fact that this would be quite challenging to achieve, given the relatively tight timescales. Members commented that, under these circumstances, the Council needed to try to ensure that the Government approved the authority's first draft of the investment plan in order to avoid causing any delays.
- The potential for some of the funding to be spent on pre-existing projects, such as town centre public realm improvement works.
- The need for the Council to achieve value for money (VfM) in expenditure of the funding.
- The action that would be taken to mitigate against the risks arising from the increasing costs of resources due to inflation. Officers explained that the nature and scale of the projects would be taken into account when they were assessed and it was likely that a number of smaller projects would be approved which might be easier to deliver in the timescales available.
- The potential for Voluntary and Community Sector (VCS) organisations to work with the Council on projects supported by this funding. The Committee was informed that VCS organisations had been informed about the UK Shared Prosperity Fund and the opportunities available under this scheme.
- The extent to which there would be opportunities for projects to be jointly delivered by Councils and organisations in bordering local authority areas. Officers advised that there would be opportunities for the Council to work with other UK Shared Prosperity Fund bidders. The aim in all decisions made about use of the funding would be to achieve the best outcomes for Redditch.
- The value arising from creating a positive impression of Redditch in the Investment Plan.
- The reasons for gaps in some parts of the document. Officers clarified that this was a working document and further changes would be made prior to submission to the Government.
- The need for extra investment to be attracted to the Borough from the private sector, alongside funding from the Government, which would benefit the local economy.

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RECOMMENDED that

- 1) the Investment Plan 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 and 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 and Regeneration following consultation with the Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships and in light of advice from the Local Partnership Board; and
- 4) the Medium Term Financial Strategy is amended to include the UK Shared Prosperity Fund Allocation when next reviewed.

The Meeting commenced at 6.30 pm
and closed at 7.41 pm