

# UK Shared Prosperity Fund – investment plan allocations

<b>Report number:</b>	<b>CAB/WS/22/038</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	19 July 2022
	<b>Extraordinary Council</b>	26 July 2022
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**Decisions Plan:** **The decision made as a result of this report will usually be published within 48 hours. This item will be referred to Council for a final decision and is, therefore, not subject to call-in. This item is included on the Decisions Plan.**

**Wards impacted:** **All wards**

**Recommendations: It is recommended that Cabinet:**

- 1. Recommends approval of the West Suffolk UK Shared Prosperity Fund investment allocations (at Appendix B to Report number: CAB/WS/22/038) to Council, for submission to the Department for Levelling Up, Housing and Communities (DLUHC). Appendix B does not include outcomes and outputs for the funding allocations – these will follow in the report for Council on 26 July 2022.**
- 2. Recommends that officers complete the full DLUHC investment plan template in line with the details contained in this report, CAB/WS/22/038.**
- 3. Grants delegated authority to the Chief Executive, to make minor adjustments to the investment plan allocations before submission to Government, in consultation with the Leader of the Council.**
- 4. Grants delegated authority to the Portfolio Holder for Resources and Property to implement the approved investment plan once funding has been received from DLUHC, including implementing minor variations in the funding amounts for each intervention, in order to respond to changing circumstances over the lifetime of the Fund.**

## 1. Context to this report

### The UK Shared Prosperity Fund – Government guidance

- 1.1 On 13 April 2022, the Government announced a £2.6 billion fund to support implementation of its Levelling Up White Paper, known as the UK Shared Prosperity Fund (UKSPF). The fund is a successor to EU Structural Funds, but the quantum of funding is anticipated to be considerably less, given the complexity of the EU Structural Fund landscape. The UKSPF is for the period 2022-2025.
- 1.2 The Government's stated aim for the fund is to build pride in place and increase life chances across the UK, aligned with the Levelling Up White Paper goals. The vision for the fund is that 'it will lead to visible, tangible improvements to the places where people work and live, alongside investment in human capital, giving communities up and down the UK more reasons to be proud of their area.'
- 1.3 The overall £2.6 billion fund includes two elements:
- **Multiply**, which is focused on adult numeracy, in order 'to enable all adults without the equivalent of a GCSE Grade C or 4 in maths to be able to access a free flexible course'. For this, lead local authorities are county councils. Suffolk County Council (SCC) has already submitted an investment plan for this element of the fund, to which West Suffolk Council contributed. If the plan is approved, SCC's allocation for Multiply will be £3,752,462.
  - The remaining **UKSPF** – where lead local authorities are district councils (or Combined Authorities). This element is the focus of this report.
- 1.4 UKSPF funding is allocated to local authorities through a formula (based on deprivation and population) but can only be accessed through an investment plan, which needs to be submitted to DLUHC by 1 August 2022. Every local authority will receive at least £1 million. West Suffolk Council's allocation is £1,943,467. Payments are expected to be made by October 2022 for the first of the three years' allocations.
- 1.5 UKSPF must be spent on 'interventions' listed by DLUHC, under three main investment priorities:
- Communities and place
  - Supporting local business
  - People and skills (2024-2025 only)

The full list of 41 interventions is available on the DLUHC website at this link: [UK Shared Prosperity Fund: interventions, outputs and indicators - GOV.UK \(www.gov.uk\)](#).

1.6 In their investment plans, councils are required to say how much of the funding they intend to allocate to each of their chosen interventions and what outcomes and outputs they expect to see as a result of the funding being distributed. (These outcomes and outputs will be included in the report for Council on 26 July 2022). There is insufficient funding for all of the interventions to be funded. While councils may have types of projects in mind when allocating funding, the investment plans are written at the level of **interventions**, not **projects**. Therefore, specific localities, groups and projects will not be mentioned in West Suffolk's investment plan.

1.7 Once investment plans are approved, interventions are expected to be delivered through:

- grants to public or private organisations
- commissioning third party organisations
- procurement of service provision
- in-house provision.

West Suffolk Council will use a blended approach of the above delivery methods, depending on what is most appropriate and taking account of the available providers.

Collaborative working between councils is specifically encouraged in the Government guidance, especially on the supporting local businesses and people and skills element.

1.8 Full details of the UK Shared Prosperity Fund, including the guidance, are available in the Government's prospectus: [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](#)  
A summary of the types of investment the Government expects to see under each of the three main priorities is attached at Appendix A.

### **The UK Shared Prosperity Fund – West Suffolk Council**

1.9 Subject to the approval of a UKSPF investment plan by DLUHC, West Suffolk Council will be able to access the following funding:

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total</b>
<b>Funding amount (£)</b>	235,858	471,715	1,235,894	1,934,467
<b>Minimum capital element (%)</b>	10	13	20	
<b>Minimum capital element (£)</b>	23,586	61,323	247,179	332,088

1.9 Since the publication of the Government’s prospectus in April 2022, officers have been working on the development of the West Suffolk investment plan. This has involved two main processes:

1. Engagement with stakeholders (this is described in section 4 below)
2. Development of funding packages against the Government’s 41 interventions

1.10 Under the second process above, officers have considered for each of the interventions where funding should be allocated based on the following factors:

- the feedback from engagement
- where EU funding was previously applied
- whether outcomes are deliverable in the timeframes and with the levels of funding available
- how the intervention fits with West Suffolk’s existing strategic priorities
- what proposals are emerging from collaborative work across Suffolk
- Government criteria
- where there is evidence of need according to the evidence base (a pack of data and evidence has been prepared by the Suffolk Office of Data and Analytics).

This process has resulted in the proposals described in section 2 below.

## **2. Proposals within this report**

### **Principles for West Suffolk’s investment plan**

2.1 The following principles have underpinned the development of the West Suffolk UKSPF investment plan:

1. UKSPF is **additional to existing funding**, so will be applied where there are gaps or areas of most need
2. UKSPF will be invested **in line with our existing Strategic Framework**, ways of working and West Suffolk's approach (partnership working, building capacity, prevention, behaving more commercially, subsidiarity, user pays, digital transformation etc)
3. Where possible, we will **fund projects with revenue funding for three years**, to give stability to partners, and will require an exit strategy or longer-term sustainable solution
4. As was the case for EU funding, there is an expectation of **match funding, commitment and support with delivery** where appropriate – for example, business support and town centre improvement initiatives
5. There will be a balance of investment according to **evidence of challenges, opportunities, outcomes and benefits**, across rural and urban locations
6. We will encourage projects that support **net-zero objectives** as a cross-cutting theme
7. Details of investments will need to **change or evolve over the three years**. Cabinet will take the lead in shaping future changes.

## **Funding proposals – Suffolk-wide pooling**

- 2.2 The Government has encouraged collaboration between local authorities on the Supporting Local Businesses and People and Skills priorities. In Suffolk's context, this would appear to be a sensible approach, given the economies of scale that can be achieved in programmes in these areas, and the existing examples of EU-funded skills and business support projects that were county-wide.
- 2.3 Officers have therefore worked up proposals for pooling in these priority areas, which have been supported in principle by Suffolk Public Sector Leaders, subject to individual council approval. These proposals still leave West Suffolk with the majority of the allocated funding for district-level initiatives over the three years.
- 2.4 At this stage, while existing delivery partners for business support and skills initiatives have been consulted over the types of programmes that could be run across the county, no decisions have been made on who would take these forward in the future. The commissioning and procurement process will start in autumn 2022.
- 2.5 It is proposed that the pooled contributions would be used to deliver the following types of initiative:
- Business support**
- start-up support
  - small to Medium sized Enterprise (SME) support to grow
  - investor development
  - inward investment.

### People and skills

Addressing:

- participation and youth employment
- long term unemployment
- apprenticeship support
- supporting progression, reskilling and upskilling across the Suffolk workforce in key growth and employment sectors.

2.6 The amounts of funding that it is proposed West Suffolk should contribute to pooled initiatives are set out in the following table. In line with Government guidance, each district council’s contribution is based on a proportionate share according to the amount of UKSPF each will receive from Government.

**Note on the table:** While People and Skills funding is not to be allocated until 2024-2025, the Government has made an exception for projects that are delivered by voluntary, community and social enterprise organisations (VCSE) who would be at risk due to EU funding falling away in 2022-2024. The funding amounts in 2022-2023 and 2023-2024 in the table below therefore relate to this exception.

£	2022-23	2023-24	2024-25	Total
West Suffolk UKSPF allocation	235,858	471,715	1,235,894	1,934,467
Contribution to business support funding	0	135,647	153,728	289,375
Contribution to Suffolk business start up funding	39,000	78,000	78,000	289,375
Contribution to Suffolk skills funding	47,160	47,160	288,000	382,320
West Suffolk specific initiatives	149,698	210,908	716,166	1,076,772

### Funding proposals – West Suffolk investment plan allocations

2.7 Based on the above proposals for pooled contributions, the following table sets out the proposals for how both the pooled and West Suffolk-only contributions should be allocated across the Government’s high level investment priorities.

£	West Suffolk contribution to Suffolk wide initiatives	West Suffolk only initiatives	Total
<b>Communities and place</b>	0	748,604	748,604
<b>Supporting local business</b>	451,877	137,927	589,804
<b>People and skills</b>	382,320	145,000	527,320
<b>Fund administration</b>		77,739	77,739
<b>Totals</b>	866,695	1,031,531	1,943,467

- 2.8 The proposed detailed allocations across the Government’s interventions are set out in the table at Appendix B, for approval by Cabinet. These figures then need to be inputted to an online application form. An version of the form can be found at this link: [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/uk-shared-prosperity-fund-prospectus)
- 2.9 Once the proposed allocations have been approved, it is recommended that the Chief Executive be given delegated authority to make minor adjustments to the investment plan allocations before submission to Government by 1 August 2022, in consultation with the Leader of the Council.

### **Implementation of the West Suffolk investment plan**

- 2.10 Preparations will need to be made in advance of West Suffolk Council receiving the funding in October 2022 to ensure that local providers can spend the money and deliver the outcomes between October 2022 and 31 March 2023. Officers will develop procurement and commissioning processes to ensure this can be achieved in the timeframe.
- 2.11 Given the long timeframe associated with the UKSPF implementation as a whole, it is likely that there will need to be changes to the detail of the investment plan over time. This could be as a result of changing priorities for West Suffolk Council; changes in the provider landscape; or changes emerging in the national political or societal context.



- 2.12 It is therefore proposed to give delegated authority to the Portfolio Holder for Resources and Property to implement the approved investment plan once funding has been received from DLUHC, including implementing minor variations in the funding amounts for each intervention, in order to respond to changing circumstances over the lifetime of the Fund.

### **3. Alternative options that have been considered**

- 3.1 It would have been possible for West Suffolk Council not to collaborate with other Suffolk authorities in the Supporting Local Businesses and People and Skills elements of the funding. However, this would have been inefficient and wasteful, as individual district-level structures would have needed to be created to commission these elements, duplicating the efforts of the other Suffolk districts. This pooling approach still retains significant funds for local interventions.
- 3.2 West Suffolk Council could have taken the approach of determining which individual projects to support, rather than allocating funding at the intervention level. However, the timeframes for achieving this were prohibitive in order to submit an investment plan by 1 August 2022, and it would have meant deciding now how every bit of funding should be allocated up to 31 March 2025, by which time many things may have changed in the local context.

### **4. Consultation and engagement undertaken**

- 4.1 A key part of the Government's design of the UKSPF is engagement with local partners and stakeholders. West Suffolk Council therefore undertook a significant piece of engagement work in order to ensure a wide range of views were incorporated into the development of the investment plan. This included contacting each district councillor.
- 4.2 A number of methods were used, including:
- direct conversations
  - briefing meetings
  - letters and emails inviting stakeholders to respond either by email, phone or through online response forms.
- 4.3 Engagement with stakeholders who cover the whole of Suffolk was carried out jointly, through a letter from Suffolk district chief executives and a bespoke online response form.
- 4.4 The stakeholders included in the engagement were:

- Three MPs
- All West Suffolk councillors
- All parish and town councils
- Local business representatives
- Business support providers
- Local partnerships
- Visitor economy representatives
- Arms-length bodies
- Community and faith organisations
- VCSE and civil society organisations
- Education, employment support and skills providers
- Nature, environment groups
- Public health representatives
- Police and crime representatives.

4.5 A total of sixty-six responses were received to the engagement. Some of these commented on the overall direction that West Suffolk's investment plan should take and others gave detail of specific projects that the stakeholder felt should be supported with UKSPF funding.

4.6 Each of the responses was collated and inputted into the process described in paragraph 1.10 above.

4.7 Government has asked local authorities to seek the approval of local MPs to the investment plan before submission. The plan will be sent to the three MPs covering West Suffolk Council's area following Cabinet consideration.

4.8 A requirement of the UKSPF is that a stakeholder advisory group oversees the implementation of the investment plan. This group will be established following submission of the investment plan to Government by 1 August 2022.

## 5. **Risks associated with the proposals**

### 5.1 **Levels of expectation**

The Government's chosen approach to UKSPF, and in particular the requirement for local authorities to engage widely has potentially led to high levels of expectation around the volume of projects that will be funded, and to what level. As can be seen from the investment plan allocations at Appendix B, once the funding has been allocated across the Government's three priorities and across three years, the amounts of funding available, while extremely welcome, are fairly modest. The council is therefore working to communicate this effectively with local providers who were involved in the engagement phase, including supporting them by signposting them to alternative sources of funding.

5.2 **Deliverability of projects in year one**

The short timeframes for delivery of projects in year one could reduce the scope of what it is possible to achieve. As soon as the investment plan is approved, work will therefore begin to enable potential providers to 'hit the ground running' and to implement UKSPF projects in the autumn.

5.3 **Partnership working**

There are risks associated with the pooled elements of the UKSPF investment plan due to the involvement of four or five other councils, whose priorities may diverge during the lifetime of the programmes. The existing Suffolk-wide collaborative structures (Suffolk Public Sector Leaders, Suffolk-wide portfolio holder groups, Suffolk Chief Officers Leadership Team and supporting officer groups) are therefore involved in the agreement and commissioning of this work to minimise the risk of issues arising.

## 6. **Implications arising from the proposals**

6.1 **Financial**

If approved, the investment plan will result in £1.9m of new funding being received and distributed by West Suffolk Council.

6.2 **Legal Compliance**

The Council will be required to abide by the terms and conditions of the funding, some of which have been set out in the prospectus, but more details of which will be received in due course. In particular, the council will be required to abide by subsidy rules in awarding funding to third parties.

6.3 **Personal Data Processing**

All personal data handled in conjunction with the UKSPF will relate to individuals in their professional capacity. No additional customer data will be handled by the council as a result of the funding. All personal information (for example, names of respondents, contacts at supplier organisations) received through the engagement process and through the implementation phase will be handled in line with the council's information governance policies.

6.4 **Equalities**

The proposals in the investment plan allocations support the delivery of the first two of the council's equalities objectives, namely:

- Champion and promote growth in West Suffolk that recognises the economic value of strong, diverse and healthy workforces and communities and a clean natural environment, alongside growth in productivity.
- Work in partnership with others to support initiatives that focus on prevention and early intervention, particularly on issues such as health, crime and social isolation. In particular, develop innovative new models of supporting residents and businesses to access

public services, for example through the Mildenhall Hub and Western Way Development.

- 6.4.1 A number of the interventions it is proposed to support also have particular emphasis on groups with a protected characteristic, for example E1 (access to town centres for disabled people).
- 6.4.2 Each project or package of measures will be screened for equalities considerations in a proportionate way at the point of commissioning or procurement.

6.5 **Crime and Disorder**

The overall purpose of the UKSPF is to build social capital in communities and build pride in place, both of which support reductions in crime and antisocial behaviour.

6.6 **Environment or Sustainability**

The UKSPF prospectus invites local authorities to ensure that their investment plans contribute to net zero objectives. As such, as well as directly investing in active travel measures (E7) and green skills initiatives (E39), other projects that come forward under other interventions will be encouraged to build in carbon reduction measures. UKSPF will also sit alongside other funding from pooled business rates and the council's investment in net zero measures in order to reduce West Suffolk's carbon footprint over the period of the fund.

6.7 **HR or Staffing**

West Suffolk Council will draw down four per cent of the overall value of the funding to support the administration and delivery of the investment plan. Work is underway to determine the best way in which to do this, including the possibility of joint working around the pooled initiatives.

6.8 **Changes to existing policies**

UKSPF does not require any changes in existing policies.

6.9 **External organisations (such as businesses, community groups)**

The role of external organisations in delivery of UKSPF is set out in the above sections of the report.

**7. Appendices referenced in this report**

- 7.1 Appendix A: UKSPF investment priorities (Government guidance)
- 7.2 Appendix B: West Suffolk UKSPF investment plan allocations

**8. Background documents associated with this report**

None