

CABINET

12 July 2022

UK SHARED PROSPERITY FUND INVESTMENT PLANS

Report of the Leader of the Council

| | | |
|-----------------------------|---|---------------------------------------|
| Strategic Aim: | Delivering Sustainable Development Vibrant Communities | |
| Key Decision: Yes | Forward Plan Reference: FP/140422 | |
| Exempt Information | No | |
| Cabinet Member Responsible: | Cllr Lucy Stephenson, Leader of the Council and Portfolio Holder for Policy, Strategy, Partnerships and Economy Cllr David Wilby, Portfolio Holder for Education and Children's Services | |
| Contact Officer(s): | Penny Sharp, Strategic Director of Places | 07973 854906 psharp@rutland.gov.uk |
| Ward Councillors | All | |

DECISION RECOMMENDATIONS

That Cabinet:

- 1) Notes the UK Shared Prosperity Fund Prospectus and provisional funding allocation.
- 2) Notes the submission to Government of an investment plan for £144,326 of Multiply funding to support adult numeracy programmes by the deadline of 30th June 2022.
- 3) Delegates authority to the Strategic Director of Places and Section 151 Officer, in consultation with the Leader of the Council and Portfolio Holder with responsibility for Finance, to develop and submit to Government an evidence-based investment plan to access the County's allocation of £1,000,000 allocation of Core UK Shared Prosperity Funding by the 1st August deadline.
- 4) Notes that Cabinet will be asked to approve any associated terms and conditions.
- 5) Approves the use of the available £20,000 capacity funding to undertake initial preparatory work for the UK Shared Prosperity Fund, including developing the local investment plan for submission.

6) Approves the use of the UK Shared Prosperity Fund 4% administration allocation to support the productive delivery and administration of the fund.

1 PURPOSE OF THE REPORT

- 1.1 This report seeks Cabinet approval submit an evidence-based investment plan to Government to secure Rutland's £1,000,000 allocation of UK Shared Prosperity Funding (UKSPF). The investment plan will set out high-level proposals to invest in activities to support the themes of Supporting Business, Communities and Place; and People in Skills over the three-year period from 2022/23 to 2024/25.
- 1.2 The report requests Cabinet to note the submission of an investment plan to Government to secure £144,326 of Multiply funding to support adult numeracy programmes. This investment plan had to be submitted to Government by 30th June 2022.

2 BACKGROUND AND MAIN CONSIDERATIONS

UK Shared Prosperity Fund

- 2.1 The UK Shared Prosperity Fund (UKSPF) is the Government's domestic replacement for the European Structural and Investment Programme (ESIF). The UKSPF was launched on 13 April 2022, providing £2.6 billion of funding for local investment by March 2025. (UKSPF Prospectus)
- 2.2 The aim of UKSF to support the Government's 'Levelling Up' agenda through three investment themes:
- a) Supporting Local Business
 - b) Communities and Place.
 - c) People and Skills (2024/25 only)
- 2.3 Funding has been allocated to local authorities based on a formula rather than a competition. Accessing this funding is dependent on submitting and Investment Plan by 1 August 2022 to be approved by Government in the Autumn.
- 2.4 The Government's intention is for local areas to have flexibility in how the UKSPF is invested to meet local priorities within the three investment themes. The majority of funding is revenue although there is flexibility to increase the amount of capital invested within each year.

Core UKSPF Allocations

- 2.5 Rutland County Council has been allocated £1,000,000 over 3 years, this is the minimum level of UKSPF investment. Rutland's UKSPF allocation profile is summarised below:

| | 2022/23 | 2023/24 | 2024/25 | TOTALS |
|------------------------|----------------|----------------|----------------|---------------|
| Minimum Capital | £5,867 | £15,255 | £164,797 | £185,919 |

| | | | | |
|------------------------|---------|----------|----------|------------|
| Maximum Revenue | £52,805 | £102,089 | £659,187 | £814,081 |
| TOTALS | £58,672 | £117,344 | £823,984 | £1,000,000 |

- 2.6 Local Lead Authorities have also been allocated £20,000 capacity funding as a one-off payment to support the development of investment plans and the implementation of the local programme.
- 2.7 Lead Authorities are also eligible to use 4% of the UKSPF allocation to support the administration and management of the investment programme. For Rutland this equates to £40,000 across the 3-year programme. There is scope for Local Authorities to make a case to use a slightly greater percentage of UKSPF for management and administration in exceptional circumstances and if a compelling case can be made.

UKSPF Investment Priorities

- 2.8 There is no requirement to invest a set proportion of funding within each of the three UKSPF investment themes. Local areas should determine the investment priorities in line with the UKSPF outcome framework (UKSPF Interventions, Outputs, and Indicators).
- 2.9 The Council has commissioned the production of an evidence base to inform the development of an investment plan for Rutland and support the prioritisation of funding for interventions.
- 2.10 In addition, the UKSPF prospectus requires Lead Local Authorities to develop investment plans that reflect the needs of their localities by:
- a) Working with local stakeholders to inform priorities and interventions
 - b) Consulting with the local MP
 - c) Submitting an investment plan no later than 1 August 2022.
- 2.11 Working with other places is encouraged in the delivery of the UKSPF but is not mandatory.

UKSPF Investment Plans

- 2.12 Investment plans are expected to articulate high-level ambitions where places identify the outcomes they wish to target based on local context, and the interventions they wish to prioritise. Government expects to work with local areas to refine these high-level ambitions as the programme progresses so investment plans can evolve and become more detailed beyond the initial submission date. Investment plans are not required to include fully defined projects at this stage.
- 2.13 Local UKSPF investment plans should articulate:
- a) **Local context:** Setting out local evidence of opportunities and challenges through the lens of the three investment priorities.

- b) **Selection of outcomes and interventions:** Identifying the outcomes that the Council wishes to target based on local context, and the interventions to prioritise. These should be clearly linked to local opportunities and challenges.
- c) **Delivery:** Setting out the process for delivering the fund including administration and performance management.

2.14 UKSPF funding can be used flexibly to support interventions in a variety of ways:

- a) Grants to public or private organisations.
- b) Commissioning third party organisations.
- c) Procurement of service provision.
- d) In-house provision.

2.15 The guidance states that Local Authorities are encouraged to provide match funding, but this is not mandatory. Match funding can be from private, public, and third-party organisations. Any match funding must be included in the investment plan.

2.16 Payments for statutory duties or work that is fully funded by other sources cannot be covered by UKSPF.

UKSPF Timescales

2.17 UKSPF investment plans must be submitted no later than noon on 1st August 2022 via a portal.

2.18 The indicative timelines for UKSPF are summarised below:

| | |
|--------------------------------|---|
| April 2022 | UKSPF Prospectus Published |
| April – June '22 | Department of Levelling UP, Communities and Housing (DLUCH) engagement sessions with lead authorities and partners |
| May/June '22 | Rutland UKSPF evidence base developed |
| July '22 | Engagement session with Rutland stakeholders |
| July '22 | Development and prioritisation of investment plan and priorities |
| Summer '22 | DLUCH to publish further guidance on monitoring benefits, evaluation, assurance, subsidy control, branding, and publicity |
| 30 June to 1 August '22 | UKSPF portal opens for submission of investment plans |
| July to September '22 | Government to review and assess investment plans |
| October '22 | Anticipated date for first investment plans to be approved |
| October '22 onwards | Anticipated date for first payments to be made to lead local authorities |
| March 2025 | UKSPF Programme ends |

Multiply

- 2.19 In addition to the Core UKSPF allocation, Rutland has been allocated £144,324 of Multiply funding over the 3 years of 2022/23 to 2024/25. This funding is intended to support the delivery of bespoke adult numeracy programmes within local areas. The Government's aim is that "adults who need to improve their numeracy (up to, and including, Level 2 or equivalent) will be able to access free flexible courses that fit around their lives – whether that be in person or online, at work or in the evening, part time or intensive" (Multiply Prospectus)
- 2.20 Programmes delivered with Multiply funding need to be additional and differentiated from that which is already fully funded through the Adult Education Budget (AEB) legal entitlement and should not displace the offer provided through Rutland Adult Learning and Skills Service.
- 2.21 Multiply funding is subject to separate guidance and performance framework. Investment plans were required to be submitted by 30th June 2022.
- 2.22 Due to the limited timescales Rutland County Council has worked with local partners to develop and submit an investment plan to support the delivery of a tailored adult numeracy programme within Rutland. The submitted investment plan is included in appendix A.

3 CONSULTATION

- 3.1 The extensive Future Rutland conversation has provided a sound basis to inform the development of the UKSPF investment plans given the comprehensive engagement of residents, businesses, and other stakeholders. (<https://future.rutland.gov.uk/>)
- 3.2 A Stakeholder Workshop event is planned for 7th July 2022 to present the findings from the evidence base and potential investment priorities. Stakeholders include public sector partners; businesses and business representative organisations including the Local Enterprise Partnership; Education; Health; Tourism and cultural representative organisations and the voluntary and community sector. The MP has also been invited to attend the event. It is anticipated that some stakeholders may ultimately form a partnership that can have oversight of delivery of the local UKSPF investment programme.
- 3.3 Whilst the workshop will be focused specifically on the UKSPF it is intended that be the start of a conversation about the development of a new economic strategy for the County. Further work on a new economic strategy is planned to begin in the Autumn.

4 ALTERNATIVE OPTIONS

- 4.1 The alternative option would be to not submit an investment plan for Core UKSPF and/or Multiply. As this would prevent the County from benefitting from revenue and capital funding this is not considered a viable option.

5 FINANCIAL IMPLICATIONS

- 5.1 As detailed in the main body of the report, Rutland County has been allocated £1,000,000 of Core UKSPF and £144,324 Multiply funding from 2022/23 to 2024/25.
- 5.2 For both Core UKSPF and Mulitply the first year's funding allocation will be released, and payment made on approval of the separate investment plans. Subject to satisfactory performance, future years funding will be paid at the beginning of the financial year.

- 5.3 The allocated funding is expected to be spent within the financial year. Further clarifications from Government have indicated that if necessary there may be scope to roll-forwards funding for specific requirements, but this would be subject to discussion and approval of a time-bound delivery plan.
- 5.4 Government has also allocated £20,000 to each Lead Authority to undertake initial preparatory work including the development of a local investment plan for submission. Rutland's allocation is being used for this purpose and to develop a bespoke evidence base for the County. There is no requirement to provide evidence of spend, however, Government will be asking lead authorities to report on how the money was spent as part of the regular reporting process.
- 5.5 Lead authorities are able to use the UKSPF administration allocation (4%) to support the productive delivery and administration and monitoring of the local investment programme.
- 5.6 Lead authorities will be required to submit 6 monthly returns to Government reporting on spend, outputs and progress against delivering the investment plan.
- 5.7 The UKSPF funding should not impact the Council's medium term financial plan. Whilst Lead Authorities are encouraged to identify match funding within investment plans it is not a mandatory requirement.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 All spend associated with the Fund must be compliant with the Public Contracts Regulations 2015 and follow the Council's constitution and procedures.
- 6.2 Once Government has approved the investment plans it will issue and a Memorandum of Understanding setting out the milestones, timescales and expectations in line with the investment plan. The Memorandum of Understanding for the Core UKSPF and Multiply funding will be reported to Council for approval.
- 6.3 Government will be introducing a formal reporting process with returns required every six months, and qualitative updates on a more frequent basis also required.

7 DATA PROTECTION IMPLICATIONS

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed for the as there are no direct implications at this stage.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 There are no direct equalities implications arising from this report.
- 8.2 Multiply funding is intended to support those adults without a Level 2 numeracy qualification with the intention that in future they can access opportunities that may require a numeracy qualification.

9 COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no direct implications arising from this report.

10 HEALTH AND WELLBEING IMPLICATIONS

- 10.1 There are no direct implications arising from this report.

11 ORGANISATIONAL IMPLICATIONS

11.1 Environmental implications

11.2 There are no direct implications arising from this report.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1 The UK Shared Prosperity Fund is intended to support the Government's 'Levelling Up' agenda by providing flexible funding to enable areas to invest in local priorities that will enhance:

a) Supporting business

b) Communities and Place

c) People and Skills. Note the UK Shared Prosperity Fund Prospectus and UK Shared Prosperity Fund Allocations.

12.2 Rutland County Council has been allocated £1,000,000 Rutland County has been allocated £1,000,000 of Core UKSPF and £144,324 Multiply funding for a 3-year period from 2022/23 to 2024/25.

12.3 The release of this UKSPF funding is subject to the submission and approval of separate investment plans for Core UKSPF and Multiply.

12.4 It is recommended that Cabinet approve the development and submission of a Core UKSPF investment plan to Government by 1 August 2022 and that authority is delegated to the Director of Place and Section 151 Officer, in consultation with the Leader of the Council and Portfolio Holder for Resources, to develop and submit an evidence-based investment plan.

12.5 Cabinet is asked to note the submission to Government of an investment plan for £144,326 of Multiply funding to support adult numeracy programmes (Appendix A).

12.6 Cabinet is asked to note that any Memorandum of Understanding for Core UKSPF and Multiply will be reported to Cabinet to seek approval to the terms.

12.7 It is also recommended that Cabinet approves the use of the available £20,000 capacity funding to undertake initial preparatory work for the UK Shared Prosperity Fund, including developing the local investment plan for submission and developing the evidence base

13 BACKGROUND PAPERS

UKSPF Prospectus

Multiply Prospectus

UKSPF Interventions, Outputs, and Indicators

14 APPENDICES

14.1 Appendix A – Rutland's Multiply Investment Plan

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.