

CABINET

Date of Meeting	Tuesday, 12 th July 2022
Report Subject	Shared Prosperity Fund
Cabinet Member	Cabinet Member for Climate Change and Economy
Report Author	Chief Officer (Planning, Environment and Economy)
Type of Report	Operational

EXECUTIVE SUMMARY

The Shared Prosperity Fund will deliver £2.5bn of investment until March 2025 across the UK. The aim of the programme is “to build pride in place and increase life chances”. UK Government have allocated £126m to North Wales to deliver the programme between 2022/2023 and 2024/2025 with £10.8m allocated to Flintshire for the core programme.

UK Government have set a challenging 16 week timescale to develop and submit a high-level Investment Strategy for the programme. The deadline is 1 August 2022 and delivery of the programme is estimated to need to start in September 2022.

This report provides an outline of the programme, a summary of the work done to date to prepare for it and the next steps required to meet the UK Government’s requirements to allow the funding to be drawn down.

RECOMMENDATIONS

1	That approval is given to further develop the Shared Prosperity Fund programme within Flintshire and regionally, through officer input, in line with the principles set out in this report.
2	That delegated authority is given to the Chief Officer (Planning, Environment and Economy) and the Cabinet Member for Climate Change and Economy to develop and submit Flintshire’s priorities for inclusion in the regional Investment Strategy to enable the programme funding to be drawn down.

3	That the proposal to ask Gwynedd County Council to act as the lead body to submit the regional Investment Strategy to UK Government and to lead subsequent programme delivery is supported.
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REPORT DETAILS

1.00	EXPLAINING THE SHARED PROSPERITY FUND
1.01	European Structural Fund programmes have been a major funding source in Wales for several decades but are due to close over the next 18 months. UK Government has now launched the Shared Prosperity Fund as a domestically-funded replacement to the European programmes. Due to eligibility constraints, Flintshire has been a modest recipient of European funds but the programmes have funded a wide range of programmes to support businesses, develop skills, and increase employability.
1.02	<p>The Shared Prosperity Fund will deliver £2.5bn of investment until March 2025 across the UK. The aim of the programme is “to build pride in place and increase life chances”. The investment priorities set out by UK Government are:</p> <ul style="list-style-type: none"> • Community and Place - Strengthening our social fabric and fostering a sense of local pride and belonging. To build resilient and safe neighbourhoods. • Supporting Local Business - Creating jobs and boosting community cohesion by supporting local businesses. Promoting networking and collaboration and stimulating innovation and growth. Targeted support to help businesses grow - e.g. innovation, productivity, energy efficiency, low carbon and exporting. • People and Skills - Boosting core skills and supporting adults to progress in work. Supporting disadvantaged people to access the skills they need. Funding local skills needs and supplementing local adult skills provision. Reducing levels of economic inactivity and supporting those furthest from the labour market.
1.03	The guidance for the programme was released on 13 April 2022. The programme is to be managed by local government across the UK. Funding is allocated to local government and no competitive bids are expected. An Investment Strategy setting out the approach to delivering the programme is expected in order to release the funding and UK Government will need to receive this by 1 August 2022. UK Government has asked local government in Wales to collaborate to produce one Investment Strategy for each region and to nominate a single Lead Body to submit the Strategy and act as the accountable body for the funding. UK Government has indicated that it will approve Investment Strategies by 31 August 2022.
1.04	Local government is expected, in developing the programme, to engage stakeholders including from the third sector and business community and to provide opportunities for organisations to secure resources from the programme to deliver against its priorities.

1.05 A regional budget allocation has been made available by UK Government as shown below.

Individual authorities	Core UKSPF		Multiply		Total		
Conwy	Allocation	£	20,285,722	£	4,234,398	£	24,520,120
Year 1 - 15%	£ 3,678,018.00	15.00%	£ 2,378,904.69	30.68%	£ 1,299,113.31	£	3,678,018.00
Year 2 - 27%	£ 6,620,432.40	27.00%	£ 5,152,790.05	34.66%	£ 1,467,642.35	£	6,620,432.40
Year 3 - 58%	£ 14,221,669.60	58.00%	£ 12,754,027.25	34.66%	£ 1,467,642.35	£	14,221,669.60
Total - 100%	£ 24,520,120.00	100.00%	£ 20,285,722.00	100.00%	£ 4,234,398.00	£	24,520,120.00
Denbighshire		£	21,218,792	£	4,429,165	£	25,647,958
Year 1 - 15%	£ 3,847,193.70	15.00%	£ 2,488,325.88	30.68%	£ 1,358,867.82	£	3,847,193.70
Year 2 - 27%	£ 6,924,948.66	27.00%	£ 5,389,800.07	34.66%	£ 1,535,148.59	£	6,924,948.66
Year 3 - 58%	£ 14,875,815.64	58.00%	£ 13,340,667.05	34.66%	£ 1,535,148.59	£	14,875,815.64
Total - 100%	£ 25,647,958.00	100.00%	£ 21,218,793.00	100.00%	£ 4,429,165.00	£	25,647,958.00
Flintshire		£	10,840,177	£	2,262,755	£	13,102,933
Year 1 - 15%	£ 1,965,439.95	15.00%	£ 1,271,226.72	30.68%	£ 694,213.23	£	1,965,439.95
Year 2 - 27%	£ 3,537,791.91	27.00%	£ 2,753,521.03	34.66%	£ 784,270.88	£	3,537,791.91
Year 3 - 58%	£ 7,599,701.14	58.00%	£ 6,815,430.26	34.66%	£ 784,270.88	£	7,599,701.14
Total - 100%	£ 13,102,933.00	100.00%	£ 10,840,178.00	100.00%	£ 2,262,755.00	£	13,102,933.00
Gwynedd		£	20,205,992	£	4,217,756	£	24,423,747
Year 1 - 15%	£ 3,663,562.05	15.00%	£ 2,369,554.51	30.68%	£ 1,294,007.54	£	3,663,562.05
Year 2 - 27%	£ 6,594,411.69	27.00%	£ 5,132,537.46	34.66%	£ 1,461,874.23	£	6,594,411.69
Year 3 - 58%	£ 14,165,773.26	58.00%	£ 12,703,899.03	34.66%	£ 1,461,874.23	£	14,165,773.26
Total - 100%	£ 24,423,747.00	100.00%	£ 20,205,991.00	100.00%	£ 4,217,756.00	£	24,423,747.00
Isle of Anglesey		£	13,304,735	£	2,777,202	£	16,081,937
Year 1 - 15%	£ 2,412,290.55	15.00%	£ 1,560,244.98	30.68%	£ 852,045.57	£	2,412,290.55
Year 2 - 27%	£ 4,342,122.99	27.00%	£ 3,379,544.78	34.66%	£ 962,578.21	£	4,342,122.99
Year 3 - 58%	£ 9,327,523.46	58.00%	£ 8,364,945.25	34.66%	£ 962,578.21	£	9,327,523.46
Total - 100%	£ 16,081,937.00	100.00%	£ 13,304,735.00	100.00%	£ 2,777,202.00	£	16,081,937.00
Wrexham		£	18,766,853	£	3,917,353	£	22,684,205
Year 1 - 15%	£ 3,402,630.75	15.00%	£ 2,200,786.85	30.68%	£ 1,201,843.90	£	3,402,630.75
Year 2 - 27%	£ 6,124,735.35	27.00%	£ 4,766,980.80	34.66%	£ 1,357,754.55	£	6,124,735.35
Year 3 - 58%	£ 13,156,838.90	58.00%	£ 11,799,084.35	34.66%	£ 1,357,754.55	£	13,156,838.90
Total - 100%	£ 22,684,205.00	100.00%	£ 18,766,852.00	100.00%	£ 3,917,353.00	£	22,684,205.00
			£ 104,622,271.00			£	126,460,900.00

The programme is predominantly a revenue funding programme but 15% capital (or more by agreement) can be included.

1.06 The Multiply programme included in the table above is a UK Government initiative to boost adult numeracy. The budget for the programme is high and adult numeracy is devolved to Welsh Government for delivery with established programmes already in place. Further discussion between the Welsh Local Government Association, UK Government and Welsh Government is therefore underway to determine how to make the best use of the funding opportunity.

Progress to date

1.07 The timetable set by UK Government gives 16 weeks to consult stakeholders and develop and approve the Investment Strategy for submission. Although the Investment Strategy itself is not expected to require much detail to be approved, local government needs to:

- undertake stakeholder engagement both locally and regionally;
- set priorities for the programme regionally and locally;
- agree appropriate governance structures locally and regionally;
- start to prepare the methodology by which funding will be allocated; and
- agree the regional lead body for the programme and set up the necessary structures and agreement.

1.08 Structures have been established regionally to lead this process with a senior manager group established to oversee the development of the programme and an operational co-ordinating group to drive forward the work streams above.

1.09	It is currently proposed that Gwynedd County Council is asked to act as regional lead authority for the programme. Gwynedd County Council already acts as the lead body for the North Wales Growth Deal portfolio.
1.10	There have been workshops and meetings regionally to engage stakeholders to inform the priorities for the programme in relation to skills and employment. The majority of skills and employment programmes have tended to be delivered on a regional or sub-regional footprint due to the commonality of needs of the clients and the ability to secure economies of scale.
1.11	Locally, the Council has held three workshops; one for each theme of the programme, with representation from Council teams, external partners, third sector representatives and the business community. The feedback from these sessions will be used to inform the priorities for the programme in Flintshire.
1.12	It is proposed that the existing Economic Recovery Group, a multi-sector partnership established following the covid pandemic, is used to contribute to the governance for the programme. The membership and terms of reference for the group will need to be reviewed for this purpose. In addition, the programme priorities and operating models will need to be approved by Cabinet and reviewed by the Environment and Economy Overview and Scrutiny Committee once the funding has been unlocked by UK Government.
	<u>Next steps</u>
1.13	The programme provides a relatively limited financial resource compared to the breadth of the priorities given by UK Government. It is recommended that the Council concentrates its resources into a smaller number of priorities in order to maximise impact. These should be informed by: <ul style="list-style-type: none"> • The Regional Economic Framework • The Council Plan and Well-being Plan • The outcomes of the consultation events with stakeholders
1.14	The Council will need to compile its preferred priorities for the programme and submit these for compilation within the regional Investment Strategy alongside the regional elements of the Strategy required by UK Government. UK Government has given assurances that the Investment Strategy will be able to be amended as needed following approval.
1.15	There are opportunities for delivery of activities under the People and Skills and Supporting Local Business themes to take place on a regional and sub-regional rather than local footprint. This helps to secure economy of scale and has worked successfully to-date. There are fewer opportunities for this within the Places and Communities theme. It is proposed that, wherever shared priorities and opportunities for efficiency exist, regional development and delivery should be used. The Council will still be able to deliver locally-specific activities where this is identified as more appropriate. Organisations seeking to deliver regional projects will, at a future stage of programme development later in 2022, be required to

	demonstrate how their project will deliver measurable benefits to each county in order to receive funding.
1.16	Further discussions with strategic stakeholders will determine the approach to be taken to the Multiply element of the programme and how it should be reflected in the Investment Strategy.
1.17	<p>Delivery of the programme will need to comply with Council Contract Procedure Rules. There are expected to be three main methods for delivering the programme:</p> <ol style="list-style-type: none"> 1) Direct delivery by Council teams using programme funding 2) Procured activity 3) Funding given to third parties through open and competitive calls for proposals <p>It is anticipated that, due to the constraints imposed by the timetable for the programme, the majority of expenditure for the 2022/2023 financial year will be through the first method. The third method, open calls for proposals, will be established for the appropriate priorities and will operate in the second half of 2022/2023 so that approved projects are ready to start by 1 April 2023.</p>
1.18	The Council will work with regional and local partners to ensure that the Investment Strategy is delivered to UK Government by the 1 August 2022 deadline.

2.00	RESOURCE IMPLICATIONS
2.01	Four percent of the value of the programme can be drawn down by the regional lead body for programme governance, administration and monitoring and evaluation. Funds can be allocated from this sum to each local authority to cover programme management costs so the programme should not present an additional burden to Council finances.
2.02	UK Government does not require local government to provide match funding for the programme, although it is encouraged. The Council may, in order to maximise the availability of limited funding or to comply with subsidy control legislation, require organisations applying for funding from the programme to provide an element of match funding.
2.03	Managing and delivering the programme will require the Council to recruit temporary staff which may create the risk of redundancy cost liabilities at programme closure in 2025/26.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT					
3.01	Ways of Working (Sustainable Development) Principles Impact					
Long-term	The Council will prioritise projects that can demonstrate an impact beyond the two and a half year duration of the programme.					
Prevention	The Council will prioritise projects that can demonstrate that they address underlying issues rather than merely tackling their symptoms.					
Integration	<p>The Council has already held some consultation on the priorities for the programme. The Council will, under appropriate priorities, establish open calls for proposals so that a wide range of organisations can contribute to the delivery of the priorities. The Council will use the existing multi-sector Economic Recovery Group to provide oversight of the programme and link it to wider programmes and initiatives.</p> <p>The Council will prioritise projects that can demonstrate that they are integrated into wider local partnerships and programmes rather than established solely for the purpose of securing funding from this programme.</p>					
Collaboration						
Involvement						
Well-being Goals Impact						
Prosperous Wales	The Council will prioritise projects that can demonstrate that they address the Well Being Goals.					
Resilient Wales						
Healthier Wales						
More equal Wales						
Cohesive Wales						
Vibrant Wales						
Globally responsible Wales						
Risk management						
<table border="1"> <thead> <tr> <th data-bbox="320 1738 874 1794">Risk</th> <th data-bbox="874 1738 1402 1794">Mitigation</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1794 874 2089"> Recruitment The programme will require the Council to recruit a number of staff to manage and deliver the programme. Recruitment will be urgent due to the constrained timescale of the programme and the Council will be competing with every other Council in the UK for applicants. </td> <td data-bbox="874 1794 1402 2089"> This will be a strategic risk for the programme and for the majority of projects within it. There is no immediate mitigation possible but close monitoring will help the Council to take corrective action where it can. </td> </tr> </tbody> </table>	Risk	Mitigation	Recruitment The programme will require the Council to recruit a number of staff to manage and deliver the programme. Recruitment will be urgent due to the constrained timescale of the programme and the Council will be competing with every other Council in the UK for applicants.	This will be a strategic risk for the programme and for the majority of projects within it. There is no immediate mitigation possible but close monitoring will help the Council to take corrective action where it can.		
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	<p>Expectations</p> <p>The programme offers a relatively small resource compared to the breadth of the priorities it can deliver against. There is a risk that organisations whose priorities and projects are not prioritised will criticise the Council.</p>	<p>The Council will need to be clear from the earliest stages on the approach it will take to setting the priorities for the programme and on its delivery strategy including how it will invite and select proposals from third parties. Transparent criteria for this will be used wherever possible and approval for these will be sought from Cabinet following review by the Environment and Economy overview and Scrutiny Committee.</p>
	<p>Multiply</p> <p>The scale of the programme appears to be disproportionate to the unmet need in our communities and there is existing provision in place to meet these needs.</p>	<p>Further discussion at the strategic level on the approach needed to deliver Multiply and to seek greater flexibility to allow resources to be used more widely.</p>

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	The Council has held three workshops with internal and external partners; one for each theme of the programme. The Council will also consult on the draft priorities as they are ready to be submitted regionally.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Niall Waller (Enterprise and Regeneration Manager) Telephone: 01352 702137 E-mail: niall.waller@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Match funding – money provided by a project applicant towards the costs of delivering their project.</p> <p>Multiply – a mandatory element of the Shared Prosperity Fund programme to tackle adult numeracy.</p> <p>Shared Prosperity Fund – a funding programme from UK Government operating over the 2022-2025 financial years “to build pride in place and increase life chances”.</p>