

## ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Tuesday, 15 November 2022
<b>Report Subject</b>	Shared Prosperity Fund
<b>Cabinet Member</b>	Cabinet Member for Climate Change and Economy
<b>Report Author</b>	Chief Officer (Planning, Environment and Economy)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The Shared Prosperity Fund (SPF) 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”. United Kingdom (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.

This report provides an update on the development of the programme management infrastructure, both locally and regionally, and sets out recommended priorities for the programme, as well as criteria by which projects seeking funding through the programme will be assessed.

Finally, the report provides a broad update on the strategic Council projects that are under development in readiness for the programme.

### RECOMMENDATIONS

1	Members are asked to note the progress made in developing the SPF programme both regionally and locally.
2	Members are asked to review and support the broad outline of the structures and processes to be used to deliver the programme.
3	Members are asked to review and support the proposed outline uses of 2022/2023 funds by the Council.

## REPORT DETAILS

1.00	<b>Explaining the Shared Prosperity Fund</b>
1.01	<p>The guidance for the Shared Prosperity Fund (SPF) 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. A regional Investment Strategy setting out the approach to delivering the programme in North Wales was submitted to UK Government on 1 August 2022. UK Government have given no clear indication of when investment strategies will be approved.</p>
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 by UK Government are:</p> <ul style="list-style-type: none"> <li>• Community and Place - Strengthening our social fabric and fostering a sense of local pride and belonging. To build resilient and safe neighbourhoods.</li> <li>• 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.</li> <li>• People and Skills - Boosting core skills and support 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.</li> </ul> <p>In addition to this “core” programme, there is funding to deliver the Multiply programme which is targeted solely towards accredited training for adult numeracy. There are ongoing discussions with UK Government, Welsh Government and the Welsh Local Government Association about this latter programme as the criteria are felt to be overly restrictive and adult numeracy is a devolved area with existing Welsh Government programmes already in place.</p>
1.03	<p>UK Government have indicated the following allocations for Flintshire:</p> <p>Core programme  2022/2023 - £1,271,226.72  2023/2024 - £2,753,521.03  2024/2025 - £6,815,430.26  <b>Total - £10,840,178.00</b></p> <p>Multiply programme (described above) - £2,262,755 over the same period.</p> <p>The programme will be administered by Gwynedd County Council on behalf of the six North Wales local authorities, but the final decision on the allocation of funds locally will rest with each Council.</p>

1.04	<p>In preparation for the submission of the Investment Strategy, each local authority held consultation events locally to identify priorities for the programme. In addition, regional events were held to identify regional skills and employment priorities. The local priorities identified by stakeholders were:</p> <ul style="list-style-type: none"> <li>• Support for town centre regeneration and street markets</li> <li>• Creating and improving green spaces and green infrastructure</li> <li>• Support for local arts, cultural, heritage and creative activities</li> <li>• Investment in capacity building and infrastructure support for local civil society and community groups</li> <li>• Contributing to tackling cost of living crisis</li> <li>• Improving digital infrastructure</li> <li>• Improving tourist facilities</li> <li>• Support for business innovation, learning and decarbonisation</li> <li>• Supporting social businesses</li> <li>• Providing support to those furthest from labour market</li> <li>• Meeting local business skills needs</li> <li>• Support for young people post-Covid</li> <li>• Tackling mental ill-health</li> </ul> <p>These priorities are consistent with the priorities of the Council Plan and the Flintshire Wellbeing Plan.</p> <p>It is proposed that, during the assessment process outlined below, projects that address these are prioritised for investment.</p>
	<p><b><u>Delivering the Shared Prosperity Fund programme</u></b></p>
1.05	<p>Gwynedd County Council have been nominated as the lead accountable body for the programme in North Wales. In advance of UK Government approval for the programme, officers from the six authorities have been preparing the systems needed to allocate and manage funds from the programme.</p>
1.06	<p>It is intended that, in line with UK Government expectations, most funds allocated through the programme will be issued through open and competitive bidding processes where potential project sponsors submit their proposals for consideration.</p> <p>Councils also have the ability within the programme to directly spend money without going through this process, but it is intended that is reserved for four scenarios:</p> <ol style="list-style-type: none"> <li>1) Approval for the programme will be received very late in this financial year. It is therefore proposed that the Council directly spends 2022/2023 funds without a competitive process to avoid underspending the allocation.</li> <li>2) If insufficient proposals are received through the open call for proposals then the Council could opt to directly deliver projects to avoid programme underspends in 2023/2024.</li> </ol>

	<p>3) If the proposals received do not cover some of the priorities identified above then the Council could develop projects for direct delivery to fill the gap in provision.</p> <p>4) If an urgent and strategically vital project were identified, the Council could choose to allocate uncommitted programme funds to its delivery.</p>
1.07	<p>It is intended that the project selection process will only support larger strategic projects. Across North Wales, even an average project value of £1m would still result in 120 projects to be administered which would require most of the available programme management resource. To enable a wider benefit for the programme, potential applicants will be asked to consider creating grant schemes within their strategic projects which would allow smaller voluntary groups and businesses to apply for support. This will reduce the administrative demands upon smaller organisations accessing the programme.</p>
1.08	<p>The final decision on all project allocations will rest with each local authority. In line with UK Government expectations, each County will have a multi-agency partnership (or panel) to advise on the selection of projects and the management of the programme. In Flintshire, it has already been agreed at Cabinet that the Economic Recovery Group will act in this capacity and the membership and terms of reference of the group has been amended to enable it to fulfil this role.</p>
1.09	<p>The detailed criteria and processes to approve allocations of funding are being developed both locally and regionally. The criteria and processes will need to be amended over time based on programme management requirements.</p> <p>It is expected that each project proposal will need to demonstrate:</p> <ul style="list-style-type: none"> <li>• its ability to meet the UK Government criteria for the programme and deliver outcomes from the programme framework;</li> <li>• fit with local needs and that it will complement and not duplicate existing local provision;</li> <li>• thorough engagement with local stakeholders and potential beneficiaries;</li> <li>• its contribution to meeting the strategic needs of the area as set out in the Council Plan, Wellbeing Plan and other relevant strategies;</li> <li>• deliverability within the short timeframe for the programme;</li> <li>• the experience and capability of the project sponsor;</li> <li>• an ability to identify and manage risks effectively;</li> <li>• value for money, match funding availability and confirmation that the project can't be funded elsewhere;</li> <li>• that UK Government subsidy control regulations can be complied with; and</li> <li>• that delivery will take account of equality duties, the Welsh language and environmental good practice.</li> </ul> <p>Due to the relatively small scale of the programme it is proposed that large capital build projects, although technically eligible, are not supported.</p>

	Capital expenditure as a smaller element within a wider revenue-based project should be accommodated as should projects which disburse small capital grants or works across multiple communities, groups or businesses.
1.10	<p>Council officers will operate the final assessment process for projects in Flintshire, with the Economic Recovery Group acting in an advisory capacity. The approval processes will operate in a co-ordinated manner across North Wales to ensure consistency and to enable projects wishing to operate in more than one county, especially those addressing skills and employment needs, to receive approval through a prompt and joined-up process.</p> <p>The Council will need to demonstrate the appropriate separation of roles between the officers undertaking the competitive assessment process for projects and those acting as project sponsors for Council projects.</p>
1.11	Reports will be brought to Cabinet and Scrutiny Committee on a six monthly cycle to highlight the allocation and expenditure of the programme, progress towards achieving targets and any significant risks and issues arising.
	<b><u>Council projects</u></b>
1.12	<p>As highlighted above, the constrained timescale for the programme in 2022/2023 will make it challenging to deliver projects without risking underspending the finance allocated to this year. It is therefore intended that the Council will directly deliver projects in 2022/2023 to ensure that the funding allocated is used effectively.</p> <p>Projects to be delivered this year will still require endorsement from the Economic Recovery Group and will need to demonstrate their fit with the programme, with the priorities arising from the local consultation and with the strategic needs of the County.</p> <p>Projects are expected to include:</p> <ul style="list-style-type: none"> <li>• regeneration activity in towns and in its coastal area;</li> <li>• support for businesses and community groups to reduce energy use;</li> <li>• measures to reduce the impact of the cost of living crisis on residents; and</li> <li>• assistance for young people with increased educational support needs post-Covid and for them to enter employment;</li> </ul>
1.13	<p>The Council can bid for funding for projects for 2023/24 and 2024/2025 through the same competitive process as other organisations. Development of potential projects is currently underway and is expected to include strategic projects to:</p> <ul style="list-style-type: none"> <li>• further develop the Flintshire Coast Park;</li> <li>• support young people with education, employment and mental health;</li> </ul>

	<ul style="list-style-type: none"> <li>• support businesses and community groups to reduce their energy use and increase business skills to use new technologies and to network and learn together;</li> <li>• invest in the visitor economy infrastructure and support the use of heritage and cultural assets by local people and visitors;</li> <li>• improve digital connectivity for rural communities and for community facilities; and</li> <li>• invest in town centre regeneration and the development of markets.</li> </ul>
	<b><u>Next steps</u></b>
1.14	UK Government approval of the programme is still awaited which adds uncertainty to the plan to implement it regionally and locally. The intention is to have programme documentation and processes ready for release in November/December so that projects can be invited, assessed and approved ready for the start of 2023/2024.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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	Match funding is not required by UK Government for the SPF programme although it is intended that projects offering match funding will score better during the assessment process. The Council therefore does not face any additional financial pressures from the delivery of the programme.
2.03	Individual services submitting proposals for funding from the programme will need to plan the delivery and administrative resources needed to deliver and account for their projects effectively, some of this resource can be included within the eligible costs for each project.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>								
3.01	<p><b>Ways of Working (Sustainable Development) Principles Impact</b></p> <table border="1"> <tr> <td>Long-term</td> <td>The Council will prioritise projects that can demonstrate an impact beyond the two and a half year duration of the programme.</td> </tr> <tr> <td>Prevention</td> <td>The Council will prioritise projects that can demonstrate that they address underlying issues rather than merely tackling their symptoms.</td> </tr> <tr> <td>Integration</td> <td rowspan="3">The Council has already held some consultation on the priorities for the programme. The Council will establish open calls for proposals so that a wide range of organisations can contribute to the</td> </tr> <tr> <td>Collaboration</td> </tr> <tr> <td>Involvement</td> </tr> </table>	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	The Council has already held some consultation on the priorities for the programme. The Council will establish open calls for proposals so that a wide range of organisations can contribute to the	Collaboration	Involvement
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Involvement									

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.

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.

**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**

Risk	Mitigation
<p><b>Recruitment</b></p> <p>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.</p>	<p>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.</p> <p>The regional administration of the programme reduces this risk to the Council by reducing the number of staff required locally.</p>
<p><b>Expectations</b></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.</p> <p>Transparent criteria for this will be used wherever possible.</p>
<p><b>Multiply</b></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>
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<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>	
4.01	<p>Consultation events were held with stakeholders in May 2022 as part of the development of the regional investment strategy. The Council met again with consultees in October 2022 to provide an update on the development of the programme and raise awareness of forthcoming funding opportunities.</p>	

<b>5.00</b>	<b>APPENDICES</b>	
5.01	None.	

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>	
6.01	<p>UK Government Shared Prosperity Fund prospectus  <a href="https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus">https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus</a></p>	

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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>	
	<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>	



