

## BABERGH DISTRICT COUNCIL

<b>TO:</b> Cabinet	<b>REPORT NUMBER:</b> BCa/22/13
<b>FROM:</b> Cllr. John Ward, Leader and Cabinet Member for Economy & Cllr. Mary McLaren Cabinet Member for Communities & Wellbeing	<b>DATE OF MEETING:</b> 04/07/2022
<b>OFFICER:</b> Fiona Duhamel, Asst. Director Economic Development & Regeneration	<b>KEY DECISION REF NO. CAB358</b> By General Exception

### UK SHARED PROSPERITY FUND

#### 1. PURPOSE OF REPORT

- 1.1 To update on the development of the Council's draft UK Shared Prosperity Fund Investment Plan and associated public engagement activity.

#### 2. OPTIONS CONSIDERED

- 2.1 Proceed as per recommendations to note the process that has been followed to develop an Investment Plan for submission to Government by 1 August. This is the preferred approach as it allows us to proceed with the final drafting of our Investment Plans and aligns to the decision process of other Local Authority partners across Suffolk whom we have been working with on the potential for jointly funding countywide initiatives.
- 2.2 The Cabinet could choose not to support the process being followed for developing an Investment Plan and consulting stakeholders. However, as the aspirations within the Shared Prosperity Fund programme align closely with our corporate ambitions and any change to the process now could result in significant additional work needing to be carried out in advance of a fixed Government deadline which may not be possible.
- 2.3 The Cabinet could choose to delay making a decision, however, the Government's timeline for submission of our Investment Plan is fixed. As we can only draw down the funding allocated to us by submitting our Plan using the Government template by 1 August, any deviation or delays would potentially cause us to miss this deadline and jeopardise receipt of our funding.

#### 3. RECOMMENDATIONS

- 3.1 To note progress on the development of the draft investment plan which is attached at Appendix A.
- 3.2 To note the consultation process underway that will inform the final Investment Plan.

- 3.3 To agree delegation to the Assistant Director for Economy and Regeneration in consultation with the Portfolio holders for Economic Development & Communities to finalise the Investment Plan prior to submission to government.

#### **REASON FOR DECISION**

The receipt of Shared Prosperity Funding to implement the initiatives contained within the draft Investment Plan will provide a unique opportunity to support economic growth and community activities for our Districts.

This key funding opportunity could help to address the substantial loss of funding following the UK's EU Exit and loss of access to European Funding for employment & skills projects.

A robust set of investment priorities in the draft plan will enable the Council to provide funding for skills, employment, culture and community projects in the local area and wider county to support the Levelling Up agenda and create opportunities for all bringing true inclusive growth to local communities.

#### **4. INTRODUCTION & BACKGROUND**

- 4.1 In April 2022 the Government launched the £2.6bn UK Shared Prosperity Fund (UKSPF) to support the levelling up agenda.
- 4.2 Contrary to what had been expected, it was announced that District/Borough Councils would be responsible for managing this fund, rather than County Councils.
- 4.3 The aim and purpose of this funding is to provide a successor to EU Structural Funds (ESF) and to build pride in place and increase life chances across the UK. Full details of the fund are available in the prospectus - [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108111/uk-sp-fund-prospectus-2022.pdf).
- 4.4 Whilst the scheme has been promoted by Government as replacement for EU Funds, there are significantly fewer funds available than had been available via EU schemes, so any project allocation will need to be carefully managed.
- 4.5 The fund will empower each place to identify and build on their own strengths and needs at a local level, focused on building "pride in place".
- 4.6 It will enable local areas to build a package of funding, drawing on their programmes such as Levelling Up Fund or employment and skills support to maximise impact and simplify delivery.
- 4.7 Underneath the overarching aim of building pride in place and increasing life chances, there are three UKSPF investment priorities: communities and place; supporting local business; and people and skills. There are detailed objectives associated with each of these priorities which are aligned to the relevant Levelling Up White Paper mission.
- 4.8 In years one and two of the fund, the priorities will be "Community and Place" and "Supporting Local Business", whilst "People and Skills" is the priority for spend in year three.

- 4.9 Authorities are encouraged to identify activities that would support these objectives in their area, including any interventions that are best delivered at a larger scale in collaboration with other Authorities or wider partners. This would be informed via engagement with local stakeholders and partners.

## **5. DEVELOPMENT PROCESS FOR INVESTMENT PLAN**

- 5.1 In order to access the fund, Councils must develop an Investment Plan which sets out its priorities, outcomes and outputs for each year of funding.
- 5.2 The Investment Plans must be linked to the priority themes and deliver against specific interventions that will support the delivery of Government aims and ambitions in order to be approved.
- 5.3 The closing date for submission of these Investment Plans is 1st August 2022. Decisions on the Plans are expected by October which means any activity before formal approval would be at risk.
- 5.4 Officers have set up an internal working group led by the A.D. from Economy & Regeneration and attended by relevant Officers from across Economy and Communities teams, with engagement with colleagues in Housing to ensure that the Investment Plan reflects the breadth of challenges facing our communities, residents and businesses.
- 5.5 Potential projects have been identified from a range of adopted Council Strategies including the Communities and Wellbeing Strategies and the Economic Recovery Plan to ensure that the funding helps to deliver against recognised need within the District and meet agreed outcomes.
- 5.6 These projects have been grouped into wider thematic areas to provide for future flexibility and are undergoing a wide stakeholder engagement process to make sure they are supported locally.
- 5.7 A Suffolk wide working group has also been set up to facilitate discussions relating to shared areas of delivery e.g. skills and business support, with the potential for local funds to be “top sliced” to support delivery of Suffolk wide priorities.
- 5.8 Wider negotiations have also been taking place with partners including the New Anglia LEP and Suffolk County Council Skills Team in order to understand the scale of the projects that are coming to an end of their EU funding and which could or should be funded via SPF to ensure continuity of delivery.
- 5.9 The Investment Plans will set out the key principles of how the Council is intending to allocate its funding across the three years, however, there will be some flexibility within the process that allows for adaptation of the programme to meet local needs if circumstances change over the next 3 years.

## **6. CONSULTATION**

- 6.1 Government expect lead local authorities to engage widely with local partners – including current deliverers of EU structural fund interventions and managing authorities, arms-length bodies of government, neighbouring local authorities, voluntary and community representatives, civil society organisations higher and further education and business representative and strategic bodies. This will ensure

that local investment plans complement and do not duplicate other provision and that interventions are delivered at the appropriate scale.

6.2 The SPF officer working group identified a number of potential projects from the Communities and Wellbeing Strategies and the recently adopted Economic Recovery Plan and grouped these into 6 broad project themes which are under consultation:

- Town Centre and Cultural Programmes
- Events and Festivals
- Recruitment Support:
- Business Support including net zero activities:
- Skills and Employability Support:

6.3 The consultation exercise has also asked partners and stakeholders to prioritise government investment proposals and to identify any gaps in provision or to suggest potential project partners to support delivery of schemes.

6.4 The consultation with local partners and stakeholders has been carried out primarily via an online survey which will help to understand local priorities and identify project partners. This is running from 13/06–01/07.

6.5 Consultees have included Councillors, Town centre Vision Boards, Health & Wellbeing partners including CCG, VCSE partners, Cultural Groups, Local Chambers and Business Groups, Town & Parish Councils and MPs.

6.6 A shared approach to consultation with larger partners and key stakeholders across Suffolk via a joint survey to identify priority areas for intervention has been agreed. This has reduced duplication and helped to streamline communication about major programmes. This consultation ran from 10/06 -26/06.

6.7 Partners for this Suffolk wide collaborative approach include the Arts Council, Suffolk Chamber of Commerce, Suffolk Wildlife Trust, the Colleges and University, SALC, Community Action Suffolk, Natural England, Environment Agency, CBI and FSB. Some of these partners may also respond to the District survey if they have a specific local interest.

6.8 All consultations must be completed by the beginning of July to allow priorities to be reassessed in light of feedback from stakeholders and for a final Investment Plan to be compiled and submitted to government by the 1 August.

## **7. LINKS TO CORPORATE PLAN**

7.1 The Corporate Plan (2019-27) is designed to address the challenges and seize the opportunities facing the districts, and their organisations, for the foreseeable future. In relationship to the matters contained within this report, the Council's strong local leadership role to build great communities for living, working, visiting and investing in is particularly relevant.

7.2 The Shared prosperity Fund allocation will help us to achieve our Vision to build "Great communities with bright and healthy futures that everyone is proud to call home".

- 7.3 It will support our Strategic Priorities on the Economy as a “place that is known for strong growth in innovation and creativity, for being highly connected and sustainable with the best skilled workforce in the East”.
- 7.4 It will support our Strategic Priorities for our Communities and the Wellbeing of our Communities as a place that is ‘Attractive, successful and connected for people to live and work’ and for ‘Families to lead active, healthy, safe and independent lives, with children having the best start in life and managing their own health and wellbeing’.
- 7.5 The SPF will also help to deliver on the key Goals of our recently published Economic Recovery Plan – Connected and Sustainable, Innovative and Creative and Skilled and Successful - specifically:
- 7.6 Inclusive growth and support – working with our partners and cross council to deliver healthier outcomes in our economies as part of our joined-up recovery programmes
- 7.7 Strength in innovation – driving resilience and re-growth of our places through innovation in sustainability and climate change, and capitalise on the positive behaviour change post pandemic
- 7.8 Resilience – ensure our businesses develop resilience for the future, enabling them to inspire and be aspirational within our communities

## 8. FINANCIAL IMPLICATIONS

- 8.1 Each district has been allocated monies and will be responsible for developing distinct Investment Plans that deliver on identified local need and managing spend.
- 8.2 Although match funding is not required and will not form part of the investment plan assessment criteria, all lead local authorities have been strongly encouraged to consider match funding from the private, public and third sectors and leverage options when selecting communities and place and supporting local business interventions to fund. This will maximise the value for money and impact of the Fund
- 8.3 Each lead local authority will be able to use up to 4% of their allocation to manage the necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.
- 8.4 Local Authorities will each receive £20,000 in year 1 to support the development of their Investment Plans. It is expected that this will be received in the Autumn when the Investment Plan is signed off alongside the first year’s payment.
- 8.5 Funding for the first year will be announced in October 2022 following approval of Investment Plans but must be spent by the end of the financial year (March 2023).
- 8.6 This is split as follows;

Babergh	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>Total</b>
Allocation per year	£121,604	£243,208	£637,204	£1,002,015
Revenue split	£109,444	£211,591	£509,763	
Capital split	£12,160	£31,617	£127,441	

## 9. LEGAL IMPLICATIONS

9.1 There are no legal implications associated with this report or in the development of the Investment Plan.

## 10. RISK MANAGEMENT

10.1 This report is most closely linked with the Council's Corporate / Significant Business Risks as set out below:

Risk Description	Risk Number	Likelihood	Impact	Mitigation Measures
We may not understand the needs and aspirations of our businesses	Risk 5	3	3	Linking our business data and intel with partners. Increasing our direct business engagement with key sectors through our Chambers of Commerce, Growth Hub and other business support organisations. We have increased evidence based including Visitor Economy 'Volume and Value' studies and Economic evidence base refresh.
Decline in our key towns impacts upon economic prosperity of the districts	Risk 8	3	3	Visions for prosperity in place across 5 key towns – Stowmarket, Needham, Sudbury, Hadleigh and Eye.  Programme of workshops and engagement with local groups and communities via "What's Next events".  Steering Groups established for

				Sudbury and Stowmarket.
We may not be able to help communities become more sustainable	Risk 9	3	3	Officer capacity added to help communities deliver Neighbourhood Plans.  Town and Parish Council Liaison meetings in place and frequency increased.  Community and Wellbeing Strategies adopted by full Council.
Delays to sign off of our Investment Plan		Medium	High	Significant preparatory work to ensure that Investment Plans are developed in line with Government guidance.  Regular attendance at webinars and events to ensure that we have up to date knowledge of the process.
UKSPF not providing sufficient funds to deliver programmes without match funding		Low	High	Under current guidance, match funding is not necessary, but desirable. We will ensure that if this advice changes we will adjust our project plan accordingly.
Delays to appointment of project partners to deliver schemes		Medium	High	Significant preparatory work is already underway to develop Project Initiation Documents for year 1 and year 2

				projects which should identify potential challenges which can be mitigated at procurement stage
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## 11. EQUALITY ANALYSIS

11.1 *Equality Impact Assessment (EqIA) not required*

11.2 The interventions being proposed within the draft Investment Plan will support people, businesses and communities across our Districts and will create opportunities for all. The plan is intended to tackle and prevent inequalities and will be monitored through regular reporting to Government against the outcomes set out in the Investment Plan.

11.3 A number of the interventions will be designed specifically for people who have been long term unemployed or who have multiple barriers to work and as such, this programme will positively support these hard to reach communities.

11.4 The SPF will specifically support the group suffering from 'deprivation/ socio-economic disadvantage'. Since a key objective of the Shared Prosperity Fund is to support the delivery of the Government's 'levelling up' and inclusive growth agenda, it can be clearly demonstrated that the initiative will have a positive impact on this protected characteristic.

## 12. ENVIRONMENTAL IMPLICATIONS

12.1 There are no environmental implications directly associated with this report.

## 13. APPENDICES

Title	Location
(a) Draft Babergh Investment Plan	
(b) BMS Consultation Survey	

## 14. BACKGROUND DOCUMENTS

14.1 ***Shared Prosperity Fund Prospectus*** - [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/90422/SPF_Prospectus.pdf)

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