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| Full Council | Tuesday, 12 July 2022 | Matter for Decision |
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Report Title: **UK Shared Prosperity Fund Investment Plan**

Report Author(s): **Jeffery Kenyon (Economic Regeneration Manager)**

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| Purpose of Report: | To seek Member approval to delegate the approval of the Oadby and Wigston Borough Council UK Shared Prosperity Fund Investment Plan, to the Leader of the Council in conjunction with the Strategic Director/151 Officer. The Investment Plan needs to be submitted by 1 August 2022 and is currently under development. The report outlines the work to date to meet this deadline. |
| Report Summary: | <p>The report provides brief background on the UK Shared Prosperity Fund, the successor to EU funding.</p> <p>Each Local Authority has been provided with an allocation to cover the period 2022/23 to 2024/25 upon Government approval of an Investment Plan; Oadby and Wigston Borough Council has been allocated £1,342,011.</p> <p>The report outlines the background work undertaken to identify issues in the Borough that could be addressed through the fund. A list of potential interventions is provided that are being developed at present. A draft Investment Plan will be published for a brief consultation period before the final Investment Plan is submitted.</p> |
| Recommendation(s): | <p>A. To note the content of the report and appendix; B. To approve that the Leader of the Council, in conjunction with the Strategic Director / Section 151 Officer be given delegated authority to approve the final OWB Investment Plan submitted to DHLUC as set out in paragraph 3.1; and C. To approve that the Strategic Director / Section 151 Officer be given authority to make required changes to the Council budget as set out in paragraph 2.1.</p> |
| Senior Leadership, Head of Service, Manager, Officer and Other Contact(s): | <p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk</p> <p>Adrian Thorpe (Head of Built Environment) (0116) 257 2645 adrian.thorpe@oadby-wigston.gov.uk</p> <p>Jeffery Kenyon (Economic Regeneration Manager) (0116) 288 8961 jeffery.kenyon@oadby-wigston.gov.uk</p> |
| Corporate Objectives: | <p>Building, Protecting and Empowering Communities (CO1) Growing the Borough Economically (CO2)</p> |
| Vision and Values: | "A Stronger Borough Together" (Vision) |

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| | Accountability (V1) Teamwork (V3) Customer Focus (V5) |
| Report Implications:- | |
| Legal: | There are no implications directly arising from this report. |
| Financial: | The implications are as set out at Section 2 of this report. |
| Corporate Risk Management: | Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Effective Utilisation of Assets / Buildings (CR5) Economy / Regeneration (CR9) |
| Equalities and Equalities Assessment (EA): | The implications are as set out at paragraph 5.8 of this report. Initial EA Screening (See Appendices). |
| Human Rights: | There are no implications directly arising from this report. |
| Health and Safety: | There are no implications directly arising from this report. |
| Statutory Officers' Comments:- | |
| Head of Paid Service: | The report is satisfactory. |
| Chief Finance Officer: | The report is satisfactory. |
| Monitoring Officer: | The report is satisfactory. |
| Consultees: | <p>The UKSPF requires consultation to take place as part of the process of writing the Investment Plan. The Council has undertaken the following consultation:</p> <ul style="list-style-type: none"> • Member engagement to identify projects in the Borough (13 June and 28 June 2022) • Officer engagement through Corporate Management Team (17 May and 28 June 2022) • Neil O'Brien MP (29 June 2022) • Individual engagement with: Canal and Rivers Trust, Everyone Active, Leicestershire County Council, DWP/JC+ <p>Following the drafting of the Investment Plan a targeted consultation will take place with wider Oadby and Wigston Borough organisations.</p> |
| Background Papers: | None. |
| Appendices: | 1. UK Shared Prosperity Fund Equality Assessment |

1. Background

- 1.1 The United Kingdom Shared Prosperity Fund (UKSPF) is the replacement for the former EU Structural Funds received when the UK was an EU member. The UKSPF therefore seeks to replace programmes such as the European Social Fund (ESF) and European Regional Development Fund (ERDF). It forms part of the Government's Levelling Up agenda and is integrated into the work of DLUHC (Department for Levelling Up, Housing and

Communities) who will oversee the fund.

1.2 The Fund is split into three themes:

- Communities and Place: focussing on activities around communities, town centres, visitors;
- Supporting Local Businesses: provision of support to local businesses, business development etc.; and
- People and Skills: volunteering, skills improvement etc.

1.3 Each Local Authority, including Oadby and Wigston Borough Council, has been designated a Lead Authority and have been provided with an allocated sum to disburse between the years 2022/23 and 2024/25. Combined Authorities, Unitary Authorities and County Councils are also Lead Authorities with allocations, but also additional responsibilities. OWBC has been allocated £1,342,011 to spend over the three years.

1.4 There are some key differences between the EU funds and the UKSPF:

| EU Funds | UKSPF |
|--|--|
| 7 year programme | 3 year programme |
| Competitive access | Allocated funds |
| Spend restricted to eligible themes | Spend is restricted but much more flexible to respond to local needs |
| Match funding usually required | No match funding needed (but encouraged) |
| Geographically targeted at subregional level and above | Allocated to individual LAs (but encouraged to work across boundaries) |
| Revenue and Capital spend was split across ESF and ERDF programmes | Revenue and Capital spend is brought together into one fund |

1.5 In order to access the funding each Lead Authority must submit an Investment Plan by 1 August 2022 for approval by DLUHC. This should outline the issues that the area faces, backed by data, and outline the types of investment proposed, relating back to the three themes, and how these will meet the needs of the local community. A full list of interventions is not required at this stage to cover all three years, however it must be agreed before spend can take place. As can be seen this approach does mean that this fund is more responsive to local needs and there is greater local control.

2. Funding allocation and profile

2.1 OWBC has been allocated £1,342,011 to 2024/25. The spend profile for this is not even across all three years and there are some requirements of this spend. The table below provides an indication of the spend profile over the three years. Of note:

- 4% of the fund may be used to fund its administration, such as running the programme, undertaking monitoring, running procurement competitions, administering grant schemes etc. As OWBC is a small authority, it is proposed that a minimum of 4% is used for these purposes, providing additional officer support to make sure there is a single point of contact for the fund. This is explored further in section 5 of this report.
- There is a minimum amount of Capital spend per year and the figures in the table below represent the minimum amount. This amount can be increased. Note that

there is an allocation of capital spend in the first year.

- Spend totals per year must be achieved. If they are not then future funds may be withheld. Projects included therefore need to be able to be delivered within the timescales.

| | 2022/23 | 2023/24 | 2024/25 |
|-------------------|-----------------|-----------------|-----------------|
| Admin (4%) | £6,442 | £12,883 | £34,355 |
| Capital (minimum) | £16,104 | £41,871 | £171,777 |
| Revenue | £138,495 | £267,329 | £652,755 |
| TOTAL | £161,041 | £322,083 | £858,887 |

2.2 From the table above it can be seen that the final year, 2024/25 sees a significant increase in project spend. There are a number of reasons for this:

- Being the final year, and with the fund allowing for development works in all three themes, the final year will be one where projects that have been developed will be delivered
- The current EU programmes cease in 2023/24 and if there is a desire to continue these then this will happen in 2024/25. It is therefore likely that there will be minimal spend on Theme 3: People and Skills until the third year. Investment Plans must take this into account. These will be projects looking at numeracy, literacy, language skills currently provided through a range of ESF programmes. It should also be noted that County Councils and Unitary Councils also receive an element of UKSPF called 'Multiply' which focusses on skills. How Local Authority interventions interact with this needs to be carefully considered to avoid duplication.

3. Budgetary Implications

3.1 At the time of writing this report, no guidance has been received from central government around the issue of in-year spending, although it is understood that this is planned and there will be some flexibility around this.

3.2 As a precaution, it is proposed that the Strategic Director/Section 151 Officer is given authority to make the required changes to the Council budget as set out in paragraph 2.1 above.

4. Investment Plan

4.1 An online template has been provided to complete the investment Plan which seeks to bring out the issues affecting the local area and the types of interventions identified. Whilst the Council will be more specific in its 2022/23 projects, in order that the Investment Plan is approved quickly, those of future years is less defined. The Investment Plan will need to be reviewed by the local MP ahead of its submission on 1 August 2022. Due to the tight timescale to develop and submit the Investment Plan, it is requested that delegated approval for the final Investment Plan submitted be given to the Leader of the Council in consultation with the Strategic Director/151 Officer.

4.2 Furthermore, it is proposed that the Strategic Director/151 Officer be given authority to make required changes to the Council budget as this funding will be received in-year.

5. Oadby and Wigston approach

Issues affecting the Borough

- 5.1 As part of the development of the Investment Plan, there is a need to provide an overview of the issues affecting the Borough so that these may form the basis of investment and show a direct correlation as to how these will tackle the issues. Officers have undertaken an exploration of the issues affecting the Borough. Given the limited time available to undertake this, a range of sources have been used from both the Council and supplied by partners.
- 5.2 A review of the data has been produced to bring together key information about the Borough. This includes information about residents to show how diverse our Borough is, such as skills levels, unemployment rates, occupations, deprivation etc.; information about our businesses, such as sectors, wages, business formation and death rates; and about the place such as crime rates, health inequalities, facilities etc. This information will form the basis for identifying the types of interventions the Investment Plan should seek to address so that they meet the needs of the Borough.

Project themes

- 5.3 Given the issues identified, the spend profile that must be achieved and the ability of projects to deliver, the following broad list of interventions are being considered for inclusion within the Investment Plan to respond to known issues and to have impact across our communities. These interventions are both capital and revenue in nature as well as representing combinations of grant scheme, specific interventions and programmes of activity. It should also be noted that some activities will fit under more than one theme. The table below provides an indication of interventions being considered so far:

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|---------------------------|---|
| Communities and Place | Shop front improvement schemes Town centre public realm schemes Work around accessibility and business training VE/Night-time economy promotion, in conjunction with events calendar |
| Supporting Local Business | Business support offer Business grant scheme for improvements Green grant scheme Digital skills support for businesses Funding support to VE/Tourism businesses to develop projects |
| People and Skills | Cycle infrastructure Volunteering projects Workplace health and wellbeing activity Sport and Physical Activity to engage workless people Skills for employability |

- 5.4 A range of organisations have also approached Councils with offers of programmes that they could deliver. These programmes are able to be tailored to individual Councils to respond to local needs but at the same time provide a consistent approach across the County and use recognisable brands. Whilst the list below is not exhaustive, such offers include:

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| LLEP/Growth Hub | Business Support offer to provide triage for businesses, sector specific and generic support, marketing and promotion. There are a number of additional offers such as grant programmes and project management should Councils seek these services too. |
| NBV | Business start up and early years support for new businesses. |
| Visit Leicester | Providing a strategic tourism offer to the City and County |

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| | area, this offer consists of two products – sustainable tourism and food offer. |
| Leicestershire County Council | An inward investment offer to target new businesses moving into the County specifically from outside it to provide support with their location. |
| Work and Skills Leicestershire | Based on a successful LCC programme, this provides support for people to gain skills over time to ensure that they are at less risk of becoming unemployed, such as CVs, training, advice etc. |
| Active Together | A range of projects looking at physical activity, mental health and getting people engaged in activity. |

- 5.5 These offers, and others, have been explored and discussed by the Local Authorities to establish which are of interest and could be developed further in order that realistic and achievable costs for each can be identified before they become part of Investment Plans. It has been recognised by the organisations that the offers will need to be tailored to individual Local Authorities to meet their needs, rather than a blanket approach being adopted, and that the financial contribution from those Local Authorities taking part will need to be commensurate with their allocation and likely use of a service. This is key for Boroughs like Oadby and Wigston who have a smaller Investment Plan pot and cover smaller geographical areas.
- 5.6 Officers are actively exploring which of the offers best meet the needs of the residents and businesses of the Borough and have spoken with the various organisations to learn more. The offers from the LLEP, NBV, Visit Leicester, Work and Skills Leicestershire and Active Together are being looked at in detail at present. Once all the Local Authorities have considered these and know whether not they wish to be a part of a wider project, the financial elements and exact needs can be assessed.
- 5.7 The Investment Plan interventions will need to identify, from a series of outputs, what will be achieved. The outputs list has been provided by Government and form part of the submission. In parallel with interventions being identified, outputs will also become more apparent.
- 5.8 As part of this work, an Equality Assessment screening has been undertaken on the overall objective of the UKSPF (**Appendix 1**). The funding seeks to address local issues to Councils and is therefore flexible in how it may be spent. The interventions are based on an assessment of local need and are additional to services already offered. Any interventions need to be budgeted within the sum received by the Council which may lead to some interventions being prioritised ahead of others. The Council will ensure that interventions are based on robust evidence of need and are accessible across the Borough geographically. Once the full list of interventions is known these will be individually Equality Assessed.

Consultation

- 5.9 There will need to be an element of consultation to inform the Investment Plan as outlined within the Consultees section of this report. Member feedback on the broad interventions was positive with a request that a minimum of 60% of the funds be spent within the Borough, rather than on partner projects.
- 5.10 Given the timescales for the production of the Investment Plan, the small amount of funding the Borough will receive and the need to be able to spend the funds within the Plan period, Officers have gathered information about existing projects and programmes delivered by other organisations, as outlined in paragraph 4.3. This has been augmented by

information from Members and Officers on projects that could be delivered. These are being compiled into a draft Oadby and Wigston Borough Investment Plan at present.

- 5.11 During early July the draft Investment Plan will be published on the Council website for a minimum of one week to enable comments to be received on its content. Working with the Communications team, an email will be sent out to all those registered on the Council contacts list for updates as well as other lists held by Services including to businesses, community and faith groups to ensure that people are aware of the proposals. Given the short timescale, comments will need to be received electronically to enable Officers to then examine responses and consider appropriate amendments to the Investment Plan ahead of its submission on 1 August. This timescale is outlined below.

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| 1 July-8 July | Prepare Draft Investment Plan |
| w/c 11 July | Upload Draft Investment Plan to website and open consultation |
| | Promote opportunity to comment through Communications |
| w/c 18 July | Close consultation (1 week from start) |
| | Analyse responses and amend Draft Investment Plan as required |
| w/c 25 July | Approved Investment Plan |
| | Share with MP |
| 1 August | Submit OWBC Investment Plan |

6. Delivery of the Investment Plan

- 6.1 The Investment Plan needs to be submitted to Government by 1 August 2022. It will then be reviewed and early indications show that an outcome should be known in late September 2022 with the first tranche of funding being released in October 2022. The Council will then need to be in a position to start delivery and implementation of the activities in the Investment Plan, including any monitoring requirements on spend.
- 6.2 With Local Authorities required to manage the funding received the Council will need to make provision to oversee the fund, manage any processes within it and deal with any on-going monitoring. The Fund does allow for 4% of the funding to be used for administration of the funds, with a recognition in the guidance that a greater amount may be requested, especially for smaller Local Authorities who may not have the wider skills required and for whom the work of managing the fund would be more onerous given their size.
- 6.3 Officers propose that, as part of the Investment Plan development, the percentage for Administration that would be required by the Council is further examined to ensure that the level requested, likely to be above 4%, covers the cost incurred by the Council to oversee and administer the fund. The table below, a repeat of that in Section 2, outlines the basic spend profile of the fund year and clearly shows the 4% figure. If the Administration percentage is increased the capital and revenue amounts will be reduced as the funding is finite:

| | 2022/23 | 2023/24 | 2024/25 |
|-------------------|-----------------|-----------------|-----------------|
| Admin (4%) | £6,442 | £12,883 | £34,355 |
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| Revenue | £138,495 | £267,329 | £652,755 |
| TOTAL | £161,041 | £322,083 | £858,887 |

- 6.4 The Economic Regeneration Manager will act as a single point of contact for the UKSPF within Oadby and Wigston Borough Council which will allow for close control to be kept around the project and to ensure there is oversight. Standard project management arrangements will also be utilised and will serve to ensure the council meets its obligations around monitoring.

7. Next Steps

- 7.1 This Report outlines the basics of the UKSPF and how it will work in OWBC. The writing and submission of an Investment Plan has needed to be completed at speed resulting in this report providing Members with an outline of the key components proposed. Once submitted it is understood that Government will review with a view to signing off and commencing implementation from October 2022 onwards.
- 7.2 Furthermore, given that it is unlikely this will be the only round of UKSPF, officers will work with organisations and partners over the coming years so that when the next Investment Plan needs to be submitted a more inclusive and comprehensive view can be taken.