

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
19 July 2022

Report Title: UK Shared Prosperity Fund

Submitted by: Commercial Development and Economic Growth

Portfolios: One Council, People and Partnerships

Ward(s) affected: All

Purpose of the Report

To seek authority from Cabinet to take the necessary steps in order to receive and utilise the UK Shared Prosperity Funding (“UKSPF”) allocated to the Council.

Recommendation

That Cabinet:-

1. ratifies the establishment of a UK Shared Prosperity Board (“the Board”) with the membership as set out in paragraph 2.6 below.
2. authorises the Executive Director Commercial Development and Economic Growth in conjunction with the Leader of the Council and Portfolio Holder - One Council, People and Partnerships to:-
 - a) vary the terms of reference and membership of the Board from time to time as necessary to meet the needs and objectives of the Board
 - b) develop and submit an investment plan to the Department for Levelling Up, Housing and Communities (DLUHC)
 - c) accept any UKSPF allocated to the Council
 - d) on behalf of the Council, develop and commence the commissioning of projects to be funded by UKSPF and commence commissioning on Council led projects in preparation for the
3. notes that a report will be taken to a future meeting of Cabinet to update on the delivery of UKSPF projects.

Reasons

So that Cabinet is aware of the funding opportunity and gives appropriate authority to establish the Board and ensure that the UKSPF allocation can be realised and utilised.

1. **Background**

- 1.1 On 13th April 2022, the Government launched the UK Shared Prosperity Fund. This fund is central to the Governments Levelling Up agenda and replaces the old EU structural funds. With £2.6bn allocated to local areas for investment in local priorities, it will help to deliver enhanced outcomes and target funding where it is needed most; in building pride in place, supporting high quality skills training, supporting pay, employment and productivity and increasing life chances.
- 1.2 The overarching objective is Building Pride in Place and Increasing Life Chances with three investment priorities:
- Community and place – interventions include High St infrastructure improvements, improvements of green spaces, energy efficiency and travel enhancement projects
 - Supporting Local Business – interventions include support to businesses in the visitor economy, enhancing digital skills in the market place and in innovation and R&D companies.
 - People and Skills – interventions include skills and training aimed at reducing worklessness and improvement digital skills in the population and green skills.
- 1.3 In order for Newcastle to secure funding through this programme, the Council will need to become the lead accountable body, support a Shared Prosperity Board and submit an Investment Plan. It is therefore appropriate that the Cabinet considers these issues prior to the deadline for submitting the Investment Plan.

2. **Issues**

- 2.1 The UKSPF allocation for Newcastle is £4,836,174. The DLUHC methodology is designed to ensure a real-terms match of what authorities previously received from EU structural funds. 70% is allocated on a per capita basis on population size. 30% of the allocation uses the needs-based index previously used to identify UK Community Renewal Fund priority places. The funding is available from April 2022 to March 2025 however; the first payment is not expected until October 2022 as it is subject to the approval of an Investment Plan.
- 2.2 Investment Plans can be submitted to the Department for Levelling Up, Housing and Communities (DLUHC) between 30th June 2022 and 1st August 2022. It should be noted that prior to submitting the Investment Plan approval is required from the Leader of the Council and its Chief Executive Officer and Section 151 Officer.
- 2.3 Lead local authorities for each area will have flexibility over how they deliver the Fund. The prospectus highlights that authorities may wish to have competition, procurement, commissioning or deliver some activity through in-house teams.
- 2.4 The Council has commissioned Stantec to support the new Board to develop the Investment Plan. This will include appraising options against agreed criteria to develop a shortlist of projects. Each project will then require a project lead who will support the development of this project within the Investment Plan.
- 2.5 The Council is well placed to develop proposals, some of which could be in partnership with local providers to meet the needs of our community. Officers will be working to develop proposals that will be considered by the Board. As part of Stantec's commission, projects will be refined and prioritised within the Investment Plan.
- 2.6 A Shared prosperity Board has been established to ensure that an Investment Plan can be developed within the timeframe. Learning from the experience of establishing the Town

Deal Boards and taking into account the expectation from DLUHC that local MPs should be closely engaged in the design and delivery of the investment plan, the Board has been established with the following representatives:

Category	Organisation	Name
Lead local authority NBC	NBC Leader and Deputy Leader	Cllr Simon Tagg and Cllr Stephen Sweeney
County Authority	Staffordshire County Council	Cllr Philip White
Education	Keele University	Trevor McMillan
Local Business	Aspire	Dan Gray
Members of Parliament	Newcastle constituency	Aaron Bell MP
	Stoke-on-Trent North	Jonathan Gullis MP

2.7 As the Board develops, further invitees may be considered and substitutes will be invited when required. When the Board changes to become more focussed on delivery, changes to the terms of reference to the Board may be considered. If this happens then these will be agreed by the Executive Director Commercial Development and Economic Growth in conjunction with Leader of the Council and Portfolio Holder - One Council, People and Partnerships.

3. **Proposal**

3.1 As set out in the recommendations above.

4. **Reasons for Proposed Solution**

4.1 So that Cabinet is aware of the funding opportunity and gives appropriate authority to establish the Board and ensure that the UKSPF allocation can be realised and utilised.

5. **Options Considered**

5.1 Whilst the Council has been allocated funding through the Shared Prosperity Fund, it could decline to receive it. The Borough needs funding to support a wide range of projects and this presents an excellent opportunity to work with partner organisations to deliver needed services to our residents. The only sensible option is to therefore support a Shared Prosperity Board and submit an Investment Plan as required by the Government.

6. **Legal and Statutory Implications**

6.1 The guidance states district councils are the lead investment authorities. DLUHC has outlined that this is to be a genuinely devolved fund with plenty of local discretion, where the investment proposal is about “unlocking the allocation”. As lead authority, the Council will be required to complete monitoring returns and financial statements.

6.2 Lead authorities will be asked to report on progress every six months against the milestones and timescales set out in a Memorandum of Understanding at the start of the investment period.

6.3 Lead authorities are required to have project selection and contracting process so they have mechanisms to recover funding where beneficiaries do not comply with fund parameters, UK law or any local requirements.

6.4 There will be a need to take legal advice and enter into a number of different legal agreements to administer the Board and UKSPF, and to devise and deliver individual projects. There is currently no provision in base budgets for this additional demand so it will have to be resourced from the UKSPF.

7. **Equality Impact Assessment**

7.1 The Fund seeks to invest in community, business and people. As part of the development of the Investment Plan consideration of equality impacts will be required, but essentially investment will seek to improve any inequalities within our communities.

8. **Financial and Resource Implications**

8.1 Newcastle's allocation is £4,836,174. Lead local authorities set out their preferred mix of funding in the Investment Plan but this plan must have the minimum capital funding in line with the below percentage splits.

Year	Core UK SPF Revenue	Core UK SPF Capital
2022-23	90%	10%
2023-24	87%	13%
2024-25	80%	20%

8.2 As highlighted above, subject to the Investment Plan being approved the funding can commence from October 2022 with the completion date of March 2025.

8.3 Up to 4% of the total £4,836,174 can be used for fund administration and will be required to cover additional staffing resource to meet the Fund administration during the investment period.

8.4 In addition, there was a £20,000 made available to the Council as the lead local authority to undertake the initial preparatory work including the development of the local investment plan. This funding has been used to commission Stantec consultancy to enable the Council to develop the Investment Plan.

9. **Major Risks**

9.1 The Shared Prosperity Fund is a significant opportunity to support our local community without the formation of a Board and the development of an Investment Plan that meets the needs of the prospectus then the area risks missing this opportunity.

9.2 There will be legal and compliance risks around project delivery that will need to be appropriately managed on a case-by-case basis.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The fund seeks to support the delivery of projects to support economic growth, sustainable development and the following UNSDGs:-



11. **Key Decision Information**

11.1 This is a key decision as it seeks authority to accept a revenue-funding grant in excess of £100,000.

11.2 The authority delegated to commission and deliver projects using UKFPS may involve the taking of one or more key decisions. Any key decision taken under delegated powers will be taken in compliance with the requirements of the Council's constitution.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None.

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 Information on the fund is available at <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>