

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
18 October 2022

Report Title: UK Shared Prosperity Fund Contract Award

Submitted by: Commercial Development and Economic Growth

Portfolios: One Council, People and Partnerships

Ward(s) affected: All

Purpose of the Report

To outline progress in the development of the Shared Prospectus Fund Investment Plan and the decision of the Board to take forward projects to deliver the interventions as part of the plan, once the Government approves the Investment Plan the Council is then ready to the award of contracts.

Recommendation

That

1. **The Cabinet authorises the Executive Director Development and Growth in conjunction with the Leader of the Council and Portfolio Holder - One Council, People and Partnerships to:**
 - **Enter into any Grant Funding Agreements with the Government as required for the Investment Plan**
 - **Make amendments to the projects as required to meet the interventions targets in line with any government feedback on the Investment Plan;**
 - **To award contracts or Funding Agreements to deliver the range of projects to meet the interventions required**
2. **That Cabinet receive further updates on the delivery of the Investment Plan at regular intervals.**

Reasons

It is appropriate that the Cabinet endorses the work of the Board noting the Investment Plan was submitted at the beginning of August and that the feedback from the Government is anticipated at the beginning of October. In order to take forward schemes and ensure spend this financial year it is important that the Council is ready to award contracts in October.

1. **Background**

- 1.1 The Government launched the UK Shared Prosperity Fund in April 2022 inviting Council's to submit Investment Plans to meet three investment priorities:
 - Community and place
 - Supporting Local Business; and
 - People and Skills

1.2 As the lead accountable body the Council has supported the development of the Newcastle Shared Prosperity Board, which acts as a consultation group to ensure that the local area benefits from the funding opportunity. Stantec consultants were utilised to support the Board to define local priority themes within the national themes and to ensure that the national funding could be used to meet identified local needs. As part of the development of the Investment Plan there was an open competitive tendering opportunity whereby delivery partners proposed what they could deliver as part of the Investment Plan. Stantec reviewed submissions to ensure proposals met local plus national priorities and importantly met the financial criteria.

2. **Issues**

2.1 It is anticipated that the Government will give feedback on the Investment Plans at the beginning of October. It is envisaged that the Newcastle Shared Prosperity Board will meet to review progress in line with this feedback. As the accountable body the Council needs to ensure that the commissioned projects are able to deliver within the set out timescales, the first key one being the projects planned to deliver in this financial year. Bearing in mind this tight timetable the Council needs to be able to signed contracts as soon as the Investment Plan is approved.

2.2 The attached table outlines the project themes included in the Investment Plan and subject to the Government approval the Council will commission and sign appropriate contracts to deliver against these themes.

3. **Proposal**

3.1 To continue discussions and issue contracts or funding agreements with delivery partners to ensure that the projects can deliver the interventions outlined within the timescales and costs of the Investment Plan.

3.2 The Investment Plan as submitted reflected the following themes and it is anticipated that the delivery will mirror these:-

Communities and Place Investment theme

- Supporting town centres and reinforcing the investment received recently from the Towns Fund via FHSF and two Town Deals.
- Supporting the alleviation of poverty and deprivation by focusing intervention on known areas of disadvantage and those furthest from the labour market.
- Providing support to the homeless population and improving the feel and attractiveness of the town centre.
- Supporting job growth.
- Enhancing green infrastructure.
- Supporting heritage and culture.

Supporting Local Business theme

- A focus on SME growth and development as well as self-employment and entrepreneurship is a clear opportunity identified for UKSPF to support. This type of support can also be delivered through raising awareness of self-employment as an opportunity for residents.
- Supporting diversification and growth in the business base of the Borough.

- Supporting people furthest from the labour market is a key opportunity and building on existing approaches that have worked in the Borough is seen as the best way forward.
- Supporting business to become more digital in their ways of working.

People and Skills Investment theme

- The County Council investment in green travel provides an opportunity to link the priority of support to those furthest from the employment market in the inner wards.

4. **Reasons for Proposed Solution**

4.1 Subject to the Government approving the Investment Plan the Council can award contracts to ensure delivery in line with the interventions outlined as part of the Investment Plan.

5. **Options Considered**

5.1 The Council has a choice how to award the funding however as part of the Investment Plan it was identified that there would be commissioning. The Council can choose how to award and the type of contracts to be used.

6. **Legal and Statutory Implications**

6.1 The guidance states district councils are the lead investment authorities. DLUHC have 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. Subject to Cabinet approval to this report contracts will be awarded in line with the Council’s financial regulations and standing orders.

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%

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

At the time of writing this report the outcome of the Investment Plan submission to the Government is unknown but it is expected that a verbal update to the meeting can be given.

9. **Major Risks**

9.1 The Shared Prosperity Fund is a significant opportunity to support our local community without the effective commissioning of services in line with the Investment Plan and Government priorities there is a risk of the locality missing this funding opportunity.

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

10.1 The fund seeks to support the delivery of projects to support economic growth and sustainable development.



11. **Key Decision Information**

11.1 This is a key decision item as the funding to be commissioned is over £100,000.

12. **Earlier Cabinet/Committee Resolutions**

12.1 On 19th July Cabinet approved that:

- The establishment of a UK Shared Prosperity Board (“the Board”) with the membership as set out in paragraph 2.6 of the report be ratified;
- The Executive Director Commercial Development and Economic Growth in conjunction with the Leader of the Council and Portfolio Holder - One Council, People and Partnerships be authorised to:-
- 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 develop and submit an investment plan to the Department for Levelling Up, Housing and Communities (DLUHC)
- accept any UKSPF allocated to the Council 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 delivery of the Investment Plan.

- A report will be taken to a future meeting of Cabinet to update on the delivery of UKSPF

13. **List of Appendices**

13.1 Summary of SPF Investment Plan themes.

14. **Background Papers**

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

14.2 A copy of the Investment Plan and interventions are available on request from the Regeneration Team.