

Committee: **Cabinet**
 Date of meeting: **19th April 2023**
 Report Subject: **Shared Prosperity Fund**
 Portfolio Holder: **Cllr John C Morgan, Cabinet Member Place and Regeneration**
 Report Submitted by: **Owen Ashton – Service Manager Business & Regeneration**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
21.02.23	23.02.23	03.03.23			14.03.23	19.04.23		

1. **Purpose of the Report**

1.1 The purpose of this report is to provide an update for Members and seek endorsement to agree the Service Level Agreement between Blaenau Gwent County Borough Council (BGCBC) and Rhondda Cynon Taff County Borough Council (RCTCBC) regarding the implementation of the Shared Prosperity Fund (SPF).

2. **Scope and Background**

2.1 The SPF is the UK Government replacement for European funding (European Structural Investment Fund ESIF) following the withdrawal of the UK from the European Union in 2020.

2.2 **SPF**

The SPF is a key part of the UK’s Levelling Up agenda, forming part of complementary funding, including the Levelling Up Fund and Community Ownership Fund. The primary aim of the fund is to build pride in place and increase life chances across the UK. Underpinning this aim are three investment priorities: communities and place; supporting local business and people and skills.

- The **Communities and Place** investment priority will enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level. The intention of this is to strengthen the social fabric of communities, supporting in building pride in place.
- The **Supporting Local Business** investment priority will enable places to fund interventions that support local businesses to thrive, innovate and grow.
- The **People and Skills** investment priority will help reduce the barriers some people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth.

- 2.3 As part of the People and Skills priority there is a dedicated and ring-fenced element of the UKSPF called **Multiply** which seeks to improve adult numeracy skills.
- 2.4 BGCBC submitted its Local Investment Plan to RCTCBC as the Lead Authority. The Local Investment Plan contained project proposals against each of the above investment priorities which then formed part of the wider Regional Investment Plan.
- 2.5 BGCBC's SPF allocation over the 3-year programme against each priority is as follows:

Community and Place -	£7,837,618
Supporting Local Businesses -	£6,682,246
People and Skills -	£8,599,836
Multiply -	£3,874,171
Total -	£26,993,871*

*The above total figure is inclusive of the contribution to RCTCBC as the Lead Authority and includes the 4% Administrative Costs allocation which has been applied proportionately across each of the three priorities.

- 2.6 BGCBC is currently awaiting clarification from RCTCBC as Lead Authority regarding the scope and ability to carry over funding from 2022-23 to 2023-24 and other financial years in addition to when RCTCBC is able to issue Grant Determination Letters and other matters in relation to financial elements of the SPF.
- 2.7 Despite this, officers are progressing with establishing the relevant programmes across the three priorities of investment and engaging with stakeholder organisations.
- 2.8 **Governance**
RCTCBC is the Lead Authority representing the 10 Local Authorities across the Cardiff Capital Region. The relationship between UK Gov and RCTCBC is outlined within the MoU which is attached as an appendix to this report.
- 2.9 The relationship between RCTCBC and Blaenau Gwent CBC is outlined within a Service Level Agreement which is also attached as an appendix to this report. This SLA is currently in Draft form, and we have requested clarification on some points including details around the Local Partnership Group which is required to be set up to oversee the delivery of the SPF.
- 2.10 Should the clarifications be received from RCTCBC, officers recommend that Members endorse the SLA between BGCBC and RCTCBC to allow the SPF to formally start. It is also recommended that the Director of Regeneration and Community Services alongside the S151 Officer are given delegated powers to accept revisions to the SLA to facilitate the implementation of the SPF within Blaenau Gwent.

3. **Options for Recommendation**

3.1 Option 1 – Members to not endorse the SLA between BGCBC and RCTCBC

Option 2 – Members to endorse the SLA between BGCBC and RCTCBC subject to clarification received from RCTCBC and for the Director of Regeneration and Community Services alongside the S151 Officer to be given delegated authority to accept revisions to the SLA to facilitate the implementation of the SPF within Blaenau Gwent

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

Option 1 – BGCBC would not be able to benefit from SPF funding

Option 2 – BGCBC would be able to access up to £25,914,116 of SPF funding via RCTCBC acting as Lead Authority. There is also no requirement for match funding to be provided by BGCBC

5.2 ***Risk including Mitigating Actions***

Option 1 – Reputational damage to BGCBC in being unable to utilise SPF funding

Option 2- BGCBC will be entering into a binding agreement with RCTCBC via the SLA once finalised. Although the SLA contains inherent risks in terms of performance measures and reclaiming funding, BGCBC has significant experience in successfully managing investment programmes similar to SPF and has a robust control environment in place to reduce and mitigate the risks to BGCBC.

5.3 ***Legal***

Option 1 – None

Option 2 – BGCBC will be tied to conditions contained within the SLA however BGCBC Legal Department have confirmed that they have no concerns with the SLA from a legal perspective.

5.4 ***Human Resources***

Option 1 – Loss of opportunity to secure fee income against officers' time in delivering the SPF

Option 2 – Recruitment has commenced for some posts funded via SPF and will enable fees to be generated against officers' time. We are awaiting clarification regarding the potential for continuing SPF beyond 2024-25 and the implications of this in terms of potential redundancy costs, which are an eligible cost within SPF.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

The process has made use of existing performance information and data to put together evidence for the Local Investment Plan. This has been used to evidence need in BG.

Performance will be managed through the programme administration. This is yet to be supplied with the detailed guidance. We have assurances that UK Govt will be using a lighter touch than previous EU funding.

6.2 ***Expected outcome for the public***

The Shared Prosperity Fund is a central pillar of the UK government's Levelling Up agenda and a component of its support for places across the UK. It provides new funding for local investment by March 2025, with all eligible areas receiving an allocation from SPF via a funding formula rather than a competition.

The SPF aims to invest in local priorities and targets funding where it is needed most: building pride in place, supporting high quality skills training, supporting growth in pay, employment and productivity and increasing life chances. It will enable local decision making and better target the priorities of places within the UK. It is anticipated that it will lead to visible, tangible improvements to the places where people work and live, alongside investment in human capital, giving communities more reasons to be proud of their area.

6.3 ***Involvement (consultation, engagement, participation)***

Consultation and engagement is continuing with the ten local authorities in the CCR. Further consultation has been undertaken with other public sector partners and a series of workshops have been held with Third Sector partners and within the regional frameworks established for the People and Skills priority. Likewise support for local businesses priority has worked closely with the Welsh Government to ensure complementarity and integration with other business support programmes.

6.4 ***Thinking for the Long term (forward planning)***

The current SPF has only identified three years but we have been advised that the programme will continue for longer and are waiting for clarification on this.

6.5 ***Preventative focus***

The SPF is by its nature funding to help prevent social and economic deprivation. This theme continues throughout the Local IP and process.

6.6 ***Collaboration / partnership working***

We are working in partnership with the ten local authorities across the CCR, the Cardiff City Region team and the Welsh Government civil servants. Regionally and locally we are also working in close contact with the UK Govt civil servants and through RCTCBC as the Lead Authority.

6.7 ***Integration (across service areas)***

Internally the SPF can benefit a number of different Departments. The working group is made up of staff from Education, Community Services, Policy and Performance, Regeneration and Resources.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

The decarbonisation agenda will be considered when putting the individual projects together. Some of the interventions in Community and Place support work within the Community around decarbonisation and could support locally owned renewable energy projects to come forward. Likewise, the support for local business will look to support businesses in decarbonising their activities.

6.9 ***Integrated Impact Assessment (IAA)***

An Integrated Impact Assessment has been completed.

7. **Monitoring Arrangements**

7.1 The programme will be monitored through UK Govt and RCT as lead partner at a CCR level and an annual update on progress will be provided to Members in the form of a Members Briefing or via Scrutiny should any decisions be required.

Background Documents /Electronic Links

- Appendix 1 – MoU
- Appendix 2 – SLA
- Appendix 3 – Integrated Impact Assessment