



# WEST NORTHAMPTONSHIRE COUNCIL CABINET

13<sup>TH</sup> SEPTEMBER 2022

## CABINET MEMBER RESPONSIBLE FOR ECONOMIC DEVELOPMENT, TOWN CENTRE REGENERATION AND GROWTH: COUNCILLOR DANIEL LISTER

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Report Title                      UK Shared Prosperity Fund (UKSPF)

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### List of Appendices

None

### 1. Purpose of Report

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- 1.1. To update Cabinet Members of West Northamptonshire Council's (WNC) submission of an Investment Plan to draw down the allocation of £5.4m from the UK Shared Prosperity Fund (UKSPF).

## **2. Executive Summary**

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- 2.1 The (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025 and replaces European Structural and Investment Fund (ESIF) funding.
- 2.2 WNC has been allocated £5,426,224 for a three-year period up until March 2025. This fund is flexible and can be used for both revenue and capital, with minimum requirements of capital funding for each financial year.
- 2.3 There are three investment priorities, which align with the Levelling Up Missions: communities and place, supporting local business, people and skills.
- 2.4 WNC has engaged with councillors, organisations across the public, private and third sectors, internal services and MPs to identify the opportunities and challenges for the area, to inform the selection of interventions and the allocation of funding.
- 2.5 WNC has developed and submitted an investment plan outlining how the UKSPF will be used across 12 government-provided interventions which align with the three investment priorities.

## **3. Recommendations**

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- 3.1 It is recommended that the Cabinet/Committee:
  - a) Note an investment plan to draw down the UKSPF was submitted to the Department for Levelling Up, Housing and Communities (DLUHC) on 1 August 2022.
  - b) Note the selected interventions which the funding will be allocated to including the expected outputs and outcomes.
  - c) Note that the DLUHC will review the WNC UKSPF Investment Plan and year one funds are expected to be received in October, following sign off.

## **4. Reason for Recommendations**

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- a) To ensure West Northamptonshire benefits from this grant funding to enhance the community, boost the economy and support local residents and businesses.
- b) To maintain ongoing economic growth within the area, particular with the impending loss of EU funding and the need to utilise UKSPF to deliver positive economic development within the community.

## **5. Report Background**

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- 5.1 The UKSPF will support the UK government's wider commitment to level up all parts of the UK. The UKSPF is a £2.6 billion Fund designed to succeed and improve upon EU structural funds. The UKSPF is not a direct replacement for EU structural funds. It improves on these funds by:
  - Focusing on UK priorities rather than policies dictated by the EU

- Giving local areas a greater say in investments, by giving more direct accountability to elected local leaders
- 5.2 Funding will be distributed to places based on a funding allocation for three years, paid annually. As a delegated fund, places will be empowered to identify and build on their own strengths and needs at a local level, focused on building pride in place and increasing life chances, and delivered through three investment priorities: communities and place, supporting local business and people and skills.
- 5.3 For local authorities to draw down the funding allocated per area, each authority must develop a detailed investment plan, including expenditure and outcomes of which interventions will be funded.
- 5.4 In order to develop a comprehensive narrative around the needs, challenges and opportunities of West Northamptonshire, WNC facilitated a robust consultation far exceeding the requirements set out by Government. This was to ensure that local stakeholders had the ability to input into how the UKSPF would be allocated for this area.
- 5.5 This consultation included the following:
- Early and ongoing engagement with WNC councillors
  - Ongoing attendance at the WNC Executive Leadership Team and Executive Programme Board meetings
  - An online survey sent to all WNC councillors and shared with all staff through the Chief Executive's weekly communication
  - A press release promoting the allocation of funding
  - Three thematic workshops covering each investment priority – communities and place, supporting local business, people and skills
  - One-to-one meetings with local MPs
- 5.6 80 respondents completed the online survey, providing views on the challenges, opportunities and needs of the area.
- 5.7 Having effectively engaged with members, the community and stakeholders, as well as analysed the necessary data and strategies, WNC had the tools to establish which of the 41 government-provided interventions should be allocated funding. This was informed through the consultation and a review of the challenges and opportunities in the area, as well as identifying gaps in current and future funding, such as EU funding.
- 5.8 DLUHC has advised that it is important to note that it is looking for high level proposals and outcomes based on local context. The investment plan is not an exhaustive document containing detailed project or intervention planning.
- 5.9 Based on this, the following interventions have been included in the WNC UKSPF:

### **Communities and place**

- E7: Support for active travel enhancements in the local area

- E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places
- E11: Investment in capacity building and infrastructure support for local civil society and community groups
- E13: Community measures to reduce the cost of living, including measures to improve energy efficiency, combat fuel poverty and climate change
- E14: Funding to support relevant feasibility studies for projects in the communities and place investment priority

### **Supporting local business**

- E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks
- E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity
- E30: Business support measures to drive employment growth, particularly in areas of higher unemployment
- E31: Funding to support relevant feasibility studies in the supporting local business investment priority

### **People and skills**

- E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths through Multiply Funding and ESOL) support where there are local provision gaps
- E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses.
- E38: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level two and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that cannot be met through mainstream funding

5.10 DLUHC has said it expects to work with areas to refine the high-level ambitions outlined in the investment plan as the programme progresses. In line with the ethos of the fund, DLUHC will reduce bureaucracy and help places make pragmatic choices and adapt ambitions where necessary to maximise impact.

5.11 DLUHC recognises that some priorities may change following investment plan sign-off and it will work with the lead local authority should any changes need to be made to the investment plan.

5.12 The indicative financial breakdown between the three investment priorities is as follows:

- Communities and place: 27 per cent = £1,467,082

- Supporting local business: 40 per cent = £2,159,532
- People and skills: 33 per cent = £1,799,610

5.13 Expected outcomes of UKSPF projects include:

- New/improved cycleways or paths resulting in increased active travel
- Increased engagement in volunteering
- Increased take up of energy efficiency measures
- Numerous feasibility studies supported to inform projects
- Businesses receiving grants, resulting in new start-ups and jobs created
- Businesses identifying and delivering decarbonisation measures
- Economically inactive people receiving support resulting in active engagement with job searching
- Increased local people engaged in training resulting in increased local skill levels

## 6. Issues and Choices

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6.1 To note the requirement to develop and submit an investment plan for the UKSPF to DLUHC has been completed, to develop pride in place and deliver specific interventions within West Northamptonshire, identified based on detailed analysis and engagement with stakeholders within the community.

6.2 To note that not developing and submitting an investment plan for the UKSPF by the deadline would have resulted in a loss of major potential investment into the area, which would be used to support the community and place, businesses and people and skills.

## 7. Implications (including financial implications)

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### 7.1 Resources and Financial

- The UKSPF is 100 per cent grant funding, meaning there is no financial risk to West Northamptonshire Council's budgets.
- The UKSPF annual allocations will be monitored in line with the Expenditure Profile submitted with the UKSPF Investment Plan, though it is possible to reallocate funds from year to year with sufficient justification for doing so.
- Any UKSPF not delivered internally by WNC will be awarded following a funding competition which will be developed ahead of any funds being paid out. This will align with the existing WNC Community Grants.
- There is a risk that any unspent funds will be returned to DLUHC, however this will be monitored on a regular basis with DLUHC's support to ensure the funds are spent in line with the expected outputs for each intervention receiving funding.
- 4% of the UKSPF can be used for management of the UKSPF, which will include a Funding Manager to oversee the management and delivery of the fund, mitigating any risks and ensuring the UKSPF achieves the outputs/outcomes of WNC's allocation.

### 7.2 Legal

- To access UKSPF funding, the Council as a Lead Authority for the Funding was required to complete an Investment Plan. The Plan must be agreed by both the Council and by the Government to unlock the allocation.
- The Council will receive the allocation to manage, including assessing and approving applications, processing payments and day-to-day monitoring and will have overall accountability for the funding and how the Fund operates.
- The Fund can be used flexibly to support interventions via:
  - grant to public or private organisations
  - commissioning third party organisations
  - procurement of service provision
  - in-house provision
- However, Government has indicated that competitions for projects is the default approach for selecting recipients of public grants.
- The Council has the necessary legal powers under section 1 of the Localism Act 2011 to deliver the Fund's levelling up objectives. The Council will be required to ensure that the proposed projects are delivered in a legally compliant way in accordance with all relevant legislation in relation to the activities undertaken.
- All spend associated with the Fund must be assessed by the Council in advance to ensure that proposed investment is compliant with the Council's Constitution, including the Public Contracts grant rules, (mechanisms to recover funding where beneficiaries do not comply with fund parameters, legal or any other requirements) processes and procedures as and where relevant.
- Interventions will be required to be delivered within the subsidy control regime. Government has indicated that further guidance on subsidy control and UKSPF will be issued assist lead local authorities in carrying out their delegated delivery role.
- The Council is required to meet its statutory public sector equality duty in carrying out their duties related to the UKSPF.
- In submitting the Investment Plan, Government required assurance that legal obligations and all minimum standards set by the government will be adhered to.

### 7.3 Risk

- Risk: The short timescales for delivery in the first year and ensuring that once WNC receives approval of the investment plan, partners and providers are able to quickly access the funding to start delivering projects. The delay in having the Year 1 allocation confirmed impacts on the full year delivery of the programme and funding allocation.
- Contingency Measure: WNC would mitigate this through ongoing discussions with the DLUHC during the funding year to monitor performance and raise concerns regarding grant spend and adjust the outputs within the investment plan accordingly.
- Risk: Any unspent UKSPF funds would have to be returned to DLUHC after March 2025.
- Contingency Measure: WNC would develop a Grant Funding Agreement with any external organisation delivering WNC UKSPF and monitor this regularly to ensure funding was being delivered according to the necessary timescales, with the desired outputs/outcomes.

#### 7.4 Consultation

- In order to successfully assess impact, deliverability and strategic fit when analysing the interventions to address using the UKSPF, WNC has procured a consultant to support the development of the investment plan. Consultation included with stakeholders, partners and internal/external services. This also includes local MPs, WNC councillors, town councils, and both public and private sector organisations, including the third sector.

#### 7.5 Consideration by Overview and Scrutiny

- N/A

#### 7.6 Climate Impact

- Where proposals for projects which align with the interventions set out in the UKSPF investment plan have a climate impact, the council will ensure the provider will undertake the relevant environmental impact assessments.

#### 7.7 Community Impact

- This funding will result in a positive impact on the whole West Northamptonshire community, including the quality of the place, resulting in economic growth and delivery of priorities set out within WNC's vision.

#### 7.8 Communications

- Communications will be developed to inform and engage stakeholders to raise wider awareness of the opportunities the UKSPF creates for partners, employers and residents once the investment plan has been approved by Government.

### 8. Background Papers

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8.1 12 July 2022 - Cabinet Report – UK Shared Prosperity Fund

8.2 UKSPF Investment Prospectus - <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>