
REPORT TO THE MEETING OF THE EXECUTIVE 19 JANUARY 2023**PORTFOLIO: FINANCE, CLIMATE AND ECONOMY****REPORT FROM STRATEGIC DIRECTOR AND DIRECTOR OF PLACE****SUBJECT: UK SHARED PROSPERITY FUND 2022/23 ALLOCATION****1 DECISION BEING RECOMMENDED**

- 1.1 That authority be delegated to the Strategic Director and Director of Place, in consultation with the Portfolio Holder for Finance, Climate and Economy, to allocate and spend funding for 2022/23 in accordance with the Council's approved UKSPF Investment Plan.

2 REASON/S FOR RECOMMENDATION

- 2.1 On 13 July 2022, the Executive granted delegated authority to the Assistant Director for Place and Environment, in consultation with the Portfolio Holder for Climate and Economy, to prepare and submit an Investment Plan for the UK Shared Prosperity Fund.
- 2.2 On 5 December 2022, the Council was notified by the Department for Levelling Up, Housing and Communities (DLUHC) that its submitted Investment Plan had passed validation and funding was secured.
- 2.3 This report is now seeking delegated authority to commit and spend the Council's allocation of UKSPF for 2022/23 totalling £75,450 in accordance with its approved Investment Plan.

3 SALIENT INFORMATION

- 3.1 The UK Shared Prosperity Fund (UKSPF) was launched in April 2022 and provides £2.6 billion in funding for local investment by March 2025. It is the government's replacement for the European Structural and Investment Fund (ESIF).
- 3.2 UKSPF supports the ambitions of the Levelling Up White Paper and aims to build pride in place and increase life chances across the country.
- 3.3 All areas of the UK will receive an allocation from the Fund which is calculated using a funding formula. It is not a competitive bidding process.
- 3.4 The UKSPF sets out three key investment priorities:-
- a) Community and Place
 - b) Supporting Local Businesses
 - c) People and Skills

- 3.5 The funding for the first two priorities will commence in 2022/23, while the ‘people and skills’ priority will commence in 2024/25.
- 3.6 In England, the UKSPF will operate across the geographies of the Mayoral Combined Authorities and lower tier or unitary authorities. As such, Rochford District Council has been identified as the lead authority for the UKSPF within the District of Rochford.
- 3.7 The Council has been allocated exactly £1,000,000 through the UKSPF. This funding can only be accessed through a submitted Investment Plan.
- 3.8 An annual funding profile providing a breakdown of the funding for the three financial years has been developed by the Department for Levelling Up, Housing and Communities (DLUHC) for Rochford. The breakdown is as follows:-

Year	2022-23	2023-24	2024-25
Allocation	£75,450	£150,899	£773,651

- 3.9 In 2022/23, a minimum of 10% spend needs to be capital expenditure, followed by a minimum of 13% in 2023/24 and 20% in 2024/25.
- 3.10 As lead authority, the Council was responsible for developing a local Investment Plan. On 13 July 2022, the Executive granted delegated authority to the Assistant Director for Place & Environment, in consultation with the Portfolio Holder for Climate and Economy, to prepare and submit an Investment Plan for UKSPF.
- 3.11 The Council’s Investment Plan was submitted to Government on 1 August 2022.
- 3.12 After consultation with a wide range of community stakeholders as per the UKSPF guidance, the Council prioritised the following interventions in its Investment Plan:-
 - a) **E1:** Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs;
 - b) **E4:** Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer; and
 - c) **E23:** Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
- 3.13 The Council has budgeted its £1m UKSPF funding amongst the interventions as follows:-

Intervention	UKSPF Allocation	% of Total UKSPF Allocation	2022-23	2023-24	2024-25
E1: Improvements to town centres & high streets	£300,000	30%	£22,635	£45,270	£232,095
E4: Enhancing existing cultural, historic & heritage institutions offer	£600,000	60%	£45,270	£90,539	£464,191
E23: Strengthening local entrepreneurial ecosystems	£100,000	10%	£7,545	£15,090	£77,365

3.14 The submitted Investment Plan identifies priorities within the Council’s Business Plan 2020-2023 and Economic Growth Strategy 2022-25 that align with the Investment Priorities of the UKSPF.

3.15 The Investment Plan did not need identified projects; however, the Government has identified a range of example projects which give an indication of the types of projects likely to be eligible under each investment priority. For Rochford, these include but are not necessarily limited to:-

- Regenerating a town square
- Public realm improvements, for example, street art, street furniture or other decorative improvements
- Regenerating a high street
- The delivery of outreach/engagement/participatory programmes for community spaces, including youth centres and public libraries
- The development, restoration or refurbishment of local natural, cultural and heritage assets and sites
- The delivery of outreach, engagement and participatory programmes for these local assets and sites
- Strengthening local entrepreneurial ecosystems and connecting businesses to wider support on, for example, innovation, trade and skills
- Establishing local peer-to-peer networking/support and learning to improve sharing of best practice

- Development of evidence-based regional entrepreneurial support, led by entrepreneurs, risk capital providers, corporates, academia and government
- 3.16 Working across boundaries with different local authorities is heavily encouraged, especially around the *supporting local business* priority. Collaboration has taken place with Brentwood Borough Council as part of the councils' OneTeam partnership, along with other Essex authorities, to identify potential synergies.
- 3.17 Lead authorities must create a Local Partnership Group to provide advice on strategic fit and deliverability, taking care to avoid conflicts of interest. This will ensure that UKSPF investments complement other activities in the area and meets national and local objectives.
- 3.18 The Local Partnership Group will be convened by the lead local authority and should include the following types of groups:-
- a) local businesses and investors
 - b) business support providers or representatives
 - c) local partnership boards and strategic bodies
 - d) prominent local community and faith organisations
 - e) voluntary, sector social enterprise and civil society organisations
 - f) education and skills providers and employment experts and providers
 - g) nature, environmental or associated representatives
 - h) public health representatives
 - i) local MPs
- 3.19 The Rochford District Council UKSPF Local Partnership Group will meet in January 2023 and quarterly thereafter until March 2025.

Next Steps

- 3.20 The Council's Investment Plan was approved by the government on 5 December 2022. A signed Memorandum of Understanding has been returned to claim the 2022/23 funding, totalling £75,450.
- 3.21 The UKSPF prospectus states that local authorities will be asked to return any underspends at the end of each financial year.
- 3.22 Due to the short delivery window for 2022/23 and the limited funding available, the Council will need to directly commission third party

organisations or procure service provision to deliver 2022/23 UKSPF projects. Due to the relatively modest allocation of funds within 2022/23 projects taken forward this financial year are expected to be comparatively modest in scope or projects which lay foundations for larger projects in future years.

- 3.23 For 2023/24 and 2024/25, where the funding allocation is markedly larger, UKSPF funds will be allocated as above as well as a proportion of funds being made available to third-party public and private organisations through a grant process. Any funds distributed to third parties through grants will need to be through a competitive process, based around projects meeting the Council's selected interventions. A framework for disbursement of funding through grants within future financial years will be brought to the Executive for a separate decision.
- 3.24 Reports will continue to be brought to the Executive at least quarterly to provide updates on the programme, anticipated and actual spend, and to seek authority for any framework for allocating spend in future financial years.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council is not obliged to spend its UKSPF allocation; however, failure to do so would result in funding available for levelling up projects being returned to the government with little prospect of alternative funding of a similar scale becoming available. As a result, failure to set a process for allocating and spending UKSPF funding in this financial year is not considered appropriate as it would mean foregoing projects that would otherwise have a positive impact on the local community and economy.

5 RISK IMPLICATIONS

- 5.1 There is a tight turnaround for spending of the Council's UKSPF allocation this financial year, largely a consequence of a delay to the approval of investment plans experienced nationally. There is therefore a risk of the Council not being able to disburse all of its funding, or projects not being able to deliver all of their outputs, before the end of this financial year. There may be opportunities to 'rollover' funding; however, the Council is nevertheless setting in place processes to utilise funding on projects that can clearly deliver in this timeframe to limit the risks described above.

6 ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications identified as part of this decision. The impact that selected projects may have on the environment, including climate, carbon or greenhouse gas emissions, can be considered when those services are procured.

7 RESOURCE IMPLICATIONS

- 7.1 The Council has been allocated £1,000,000 through the UKSPF and the annual breakdown of this funding over the three years from 2022/23 to

2024/25 is set out at paragraph 3.8 above. A minimum of 10% spend needs to be capital expenditure in 2022/23, a minimum of 13% in 2023/24 and 20% in 2024/25.

8 LEGAL IMPLICATIONS

- 8.1 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 projects are delivered in a legally compliant way in accordance with all relevant legislation in relation to the activities undertaken.

9 EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.



LT Lead Officer Signatures: _____

Steve Summers (Strategic Director)
Phil Drane (Director of Place)

Background Papers:-

None.

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