

SOUTH STAFFORDSHIRE COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE – 25TH JULY 2023

UK SHARED PROSPERITY FUND AND RURAL ENGLAND PROSPERITY FUND

REPORT OF THE ASSISTANT DIRECTOR ENTERPRISE AND GROWTH

**LEAD CABINET MEMBER – COUNCILLOR VICTORIA WILSON, DEPUTY LEADER AND
CABINET MEMBER FOR BUSINESS ENTERPRISE AND COMMUNITY INFRASTRUCTURE**

PART A – SUMMARY REPORT

1. SUMMARY OF PROPOSALS

- 1.1 The report will provide Members with an update on activities relating to the UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund.

2. SUMMARY IMPACT ASSESSMENT

POLICY/COMMUNITY IMPACT	Do these proposals contribute to specific Council Plan objectives?	
	Yes	Prosperous and Vibrant Communities
	Has an Equality Impact Assessment (Equal) been completed?	
	No	Given the breadth of projects it is proposed that each project will need to complete EqlAs in turn as they progress.
	Has a Data Protection Impact Assessment been completed?	
	No	Given the breadth of projects it is proposed that each project will need to complete DPIAs in turn as they progress.
SCRUTINY POWERS APPLICABLE	No	Update report to Overview and Scrutiny Committee
KEY DECISION	No	
TARGET COMPLETION/ DELIVERY DATE	UKSPF and REPF funding ends in March 2025	
FINANCIAL IMPACT	Yes	There should be no financial impact on the Authority's MTFS as this is a fully grant funded project. However, the governance and use of these funds must follow the strict conditions set out by DLUHC, as any spend outside of this cannot be reimbursed through grant.

LEGAL ISSUES	No	The governance for the two grant funding streams is in accordance with government requirements and as set by Cabinet on 7 March 2023. Reporting to Overview and Scrutiny Committee forms part of that governance structure.
OTHER IMPACTS, RISKS & OPPORTUNITIES including climate impacts and health impacts if applicable		The UKSPF and REPF provide an excellent opportunity to improve the prosperity and health and wellbeing of our residents and businesses. The nature of the funding also enables us to reduce the impacts of climate change and improve the local environment. The report and appendices outlines the opportunities the funding brings to South Staffordshire.
IMPACT ON SPECIFIC WARDS	No	

PART B – ADDITIONAL INFORMATION

3. INFORMATION

- 3.1 UKSPF is a central pillar of the UK Government’s 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, with all areas of the UK receiving an allocation from the fund via a funding formula rather than a competition. This recognises that even the most affluent parts of the UK contain pockets of deprivation and need support.
- 3.2 Within the context of the Fund’s objectives, each place has the flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, help spread and create opportunity, and a sense of community and belonging. Places were able to choose from investment in three investment priorities of communities and place, local business and people and skills. In addition, there are 41 interventions across the three investment priorities, each with their expected outputs and outcomes. We did not have to target all 41 interventions but they formed a menu from which we could chose whichever ones best met our local priorities.
- 3.3 South Staffordshire Council was allocated £3.82m (revenue and capital) across three funding years from 2022/23 – 2024/25 but had to submit an investment plan in Summer 2022. The plan needed to set out a degree of local context, what our priorities were, what outcomes and interventions we would be looking to target with the funding, and whether we had the capability and capacity to deliver this level of funding.
- 3.4 Our draft Investment Plan was put together focusing on existing Council priorities in consultation with Members and partners. The Plan set out the interventions we

would target with the funding and included projects in all three of the investment priorities as prescribed by the Government. Broadly they could be headlined as:

- A strong and effective package of business support across our business sectors
- Skills and support for access to employment for our residents
- Investment in our village centres
- Environmental improvements
- Decarbonising our assets
- Extending our Warmer Homes activity
- Active Travel improvements

3.5 Our Investment Plan was approved in December 2022 and the immediate focus in the remainder of 2022/23 was to focus on setting up and delivering the year 1 interventions and setting up the year 2 interventions. Given the Council has not had previous experience of delivering large-scale grant programmes we have also had to set up the necessary background activities to ensure we meet the guidelines issued by the Government to access the fund. This has included:

- Appointment of a Programme Officer to manage the programme
- Governance
- Reporting and monitoring processes
- Procurement
- Legal agreements
- Communications and branding
- Engaging with partners
- Compiling a UKSPF prospectus, information pack and launches of the programmes [South Staffordshire Council UKSPF Prospectus | South Staffordshire District Council \(sstaffs.gov.uk\)](https://www.sstaffs.gov.uk/ukspf-prospectus)

3.6 Late in 2022 the Government also announced an associated funding stream to UKSPF, the REPF, which was only available to certain prescribed rural areas. The funding is a capital grants programme for small businesses and community infrastructure, and we were allocated an additional £489k up to March 2025. Again, this was subject to completing and having approval for an addendum to our UKSPF Investment Plan which was approved in April 2023.

3.7 In March 2023 the Cabinet approved a new governance structure to enable the Council to deliver the programme with sufficient oversight and challenge from Members, senior officers and partners, whilst meeting the Government's requirements to have an effective governance system in place to properly manage the funding.

3.8 Appendix A sets out the approved governance structure and Members will note twice yearly reporting to the Overview and Scrutiny Committee, which will provide updates on progress and the opportunity for Members to scrutinise the programme and the difference it's making to our communities, residents and businesses.

- 3.9 The UKSPF tapers up from year 1 (22/23) with £464k allocated, in year 2 (23/24) £928k and in year 3 (24/25) we have been allocated £2.43m.
- 3.10 Given we only received confirmation in December of funding for 22/23, we had very little time to put plans into place and the year 1 focus was on projects we could start to deliver on or progress quickly, which included commissioning the village centre appraisal, scoping and commissioning business support activities and the decarbonising project on Landywood Enterprise Centre. Whilst none of these projects delivered any outputs in 22/23, Government recognised that with the very short lead in time, they needed to see assurance of a 'credible plan' if spend had not occurred and we have been able to feed back our progress in these areas.
- 3.11 As part of the People and Skills priority we have created the 'Creating Brighter Futures' (CBF) programme to provide assistance for those residents who are long-term unemployed and furthest from the job market, as well as opportunities for reskilling and upskilling. As Members will be aware, the EU funded Building Better Opportunities programme ceased in March 2023 and the UKSPF funding has enabled us to continue many of those activities. However, it's also allowed us to expand that provision to now cover for those who may have recently lost work and need some assistance to retrain and improve their skills to meet future employment opportunities. £400,000 has been allocated to these activities across the two remaining years of the programme and this project is currently live and working with residents. Further information on CBF can be found here [Creating Brighter Futures | South Staffordshire District Council \(sstaffs.gov.uk\)](https://www.sstaffs.gov.uk/creating-brighter-futures)
- 3.12 Across the full three years of the programme circa £1.9m has been allocated to the Supporting Local Business priority, however this encompasses a range of activity including a bespoke business start-up programme with grants, a business growth and grants programme, a research and development innovator programme, a green solutions programme with grants, and a capital allocation to begin to decarbonise our own assets with a focus on Landywood Enterprise Park.
- 3.13 In terms of progress, we have used some of the funding to create a fixed-term post to deliver the business growth and grants programme and we have recently appointed a person to that role. Given the specialist nature of the start-up and innovator programme, we are unable to deliver that in-house and are currently tendering for qualified organisations to deliver that part of the programme, which we expect to have live in the early autumn. The green solutions programme sees a few of the Staffordshire local authorities working together with the County Council to deliver a full advice and grants service to assist businesses to decarbonise and make energy savings.
- 3.14 There are strong links between the People and Skills and Supporting Local Business activities, in terms of ensuring there are future opportunities available for our residents through local business growth. Officers from our Welfare Services and Enterprise teams are currently working together on an action plan of UKSPF and

other operational and strategic activities to ensure we maximise the benefits of local economic growth to our residents and communities.

- 3.15 Appendix B outlines the indicative allocations across the three priority areas. The scope of these projects was previously agreed through the Investment Plan submitted and most of the projects are now being worked up and planned for. Members will have noted in 3.9 that the rump of the funding is in year 3 and the majority of the allocated but not yet confirmed projects will be year 3 projects.
- 3.16 Members will have also noted from appendix a that there is circa £1.2m residual UKSPF funding unallocated and available for organisations to bid for to deliver projects in line with the Council's Investment Plan priorities and interventions. This funding programme has recently been launched and we are now accepting expressions of interest for projects. If a project is deemed as qualifying the organisation will be invited to submit a formal application, which in turn will be assessed by a panel consisting of both Council and independent representatives. Recommendations from that Panel will then be made through the formal governance structure as set out in appendix a to agree grant allocations. More information of the UKSPF residual funding can be found on the Council's website [UKSPF Residual Fund | South Staffordshire District Council \(sstaffs.gov.uk\)](https://sstaffs.gov.uk/ukspf-residual-fund)
- 3.17 REPF funding sits outside of the projects outlined in appendix B, given it is a grant funding programme to external business and community applicants. Allocation of these funds will follow a similar process to the UKSPF residual funding. Further information on applying for REPF can also be found on the Council's website [Rural England Prosperity Fund | South Staffordshire District Council \(sstaffs.gov.uk\)](https://sstaffs.gov.uk/rural-england-prosperity-fund)
- 3.18 Much of the focus to date has been on setting up the necessary infrastructure to deliver a significant funding programme from a standing start. Much of that is now in place which means that to date there has been minimal delivery against outputs and outcomes to report. However, as we move into the delivery phase future reports to Members will contain more performance information and the opportunity to scrutinise progress in greater detail.

4. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 4.1 UKSPF and REPF provides the Council with a major opportunity to make a difference to all of the district and to all parts of our communities. Members will have noted the breadth of projects with an indicative allocation, with the expectation of more projects to follow.
- 4.2 Given the breadth of interventions and projects, the expectation is that each priority theme or project will undertake their own impact assessments. Some of this will form part of the government's monitoring process and can be reported back to Members, and if outside of this process then for example, any separate impact assessments can also be reported to Members.

5. PREVIOUS MINUTES

5.1 N/A

6. BACKGROUND PAPERS

6.1 N/A

7. RECOMMENDATIONS

7.1 It is recommended that Members note the contents of the UK Shared Prosperity Fund and Rural England Prosperity Fund report and the progress made to date.

8. Appendices

8.1 Appendix A – UKSPF Governance Structure

Appendix B – Indicative UKSPF Project allocations

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