

SOUTH STAFFORDSHIRE COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE – 23 JANUARY 2024

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 (REPF).

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.
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 **People and Skills, Supporting Local Business** and **Communities and Place**, and. 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 meet 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 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 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 Given the Council has not had previous experience of delivering large-scale grant programmes we spent the initial 6 – 7 months set up the necessary background activities to ensure we meet the guidelines issued by the Government to access the fund. The last 6 months since the previous update to the Overview and Scrutiny Committee in July 2023 has been focusing on moving into the delivery stage.

3.6 Members will also recall that in 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.

3.7 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.

3.8 **People and Skills**

3.9 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://sstaffs.gov.uk/creating-brighter-futures/)

3.10 UKSPF funding comes with a number of expectations from government that are set out in a range of interventions, outputs and outcomes. The CBF team show progress against each of the Interventions for outputs and outcomes. The targets are the overall requirements for the two years of the programme and appendix A shows the progress against the interventions.

3.11 As at the end of December 23 overall performance is strong with 43% of the outputs and outcomes achieved but is higher in a number of outputs and outcomes and lower in others. All interventions are continually reviewed, and action plans created

for those showing as red to ensure we target the outputs and outcomes where we need to improve performance and focus our activities.

- 3.12 Members will note that the government's outputs for the programme are largely quantitative and do not really highlight the difference our activities are making to those people who have benefited from CBF. The CBF team, alongside our external advisor, are currently looking into some more outcome focused qualitative monitoring so we can see the difference the programme is making. We aim to be able to report back on the 'softer' outcomes to Members on future reports.

3.13 **Supporting Local Business**

- 3.14 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.

- 3.15 In terms of progress, there have been a number of business support contracts we have procured since the previous update, covering a wide range of business types and needs.

- **Start-Up Programme**, delivered by Good2Great which commenced in December 23, and associated Start-Up grant scheme due to commence in January 24. To date 19 registrations have been received and 6 businesses attended an initial 2 day workshop.
- **Get Started and Grow, Growth Hub and Green Solutions Programmes** delivered by Staffordshire County Council on behalf of a few of the Boroughs and Districts and all now commenced.
- The **Strive for Success** programme is being delivered inhouse and is designed to assist existing businesses trading for two years and over to realise their growth potential. The programme started in September 23 and we've already run 2 cohorts (20 businesses) and are currently about to commence our third cohort of businesses coming through the workshops. The associated grant scheme has also now been launched.
- **Research and Development Innovation Generator Programme**, delivered by Staffordshire University and will commence in January 24. This programme will provide a comprehensive package of specialist support and delivery of funding to businesses looking to develop new products, services, or processes up to the point of commercialisation.

- 3.16 In addition, we commissioned a UKSPF funded appraisal of the larger Village Centres and High Streets. Officers are currently reviewing final drafts of the study prior to it being circulated more widely. We're working with the consultants to agree a date for an all Member briefing on the findings of the appraisal in the near future.

- 3.17 The decarbonisation work at Landywood Enterprise Park will commence in March/April 24 and will involve the installation of LED lighting, insulated roller shutter doors, and solar PV panels on some of the units' roofs.
- 3.18 **Community and Place.**
- 3.19 Members have previously agreed an element of UKSPF to complement our existing Warmer Homes activity. We have recently partnered up with Staffordshire County Council to combine different funding pots and increase the number of people we can target. Respective Legal teams are drafting paperwork to be able to 'direct award' the UKSPF money to the County Council as part of the wider Warmer Homes Schemes. They have awarded Community Homes Solutions with the contract for the new HUGS (home upgrade grants) and ECO4 (Energy Company obligation) and are currently tendering for contractors.
- 3.20 Members will have noted in 3.7 that the bulk of the UKSPF funding is allocated in 2024/25 and much of the Community and Place interventions will be delivered then. Members have already approved indicative allocations for broad priorities and the specific projects against these interventions are at various stages of being worked up and which include:
- Improvements to a number of existing open spaces across the district
 - Active travel and green space enhancements along the South Staffordshire Railway Walk and Wyrley/Essington Canal (feasibility stage).
 - Capital improvements to village centres (informed by the Village Centre appraisal)
 - Tourism and visitor economy activities

Updates on progress will be reported in future reports.

- 3.21 Members will also be aware 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. Expressions of interest for this funding were invited when the residual funding was launched in July 23. We have received nearly 30 expressions of interest to date, some have been ineligible or we've been able to divert them to other programmes, e.g. Supporting Local Business activities, and a number are progressing to full applications. To date, none have reached the stage of being assessed by the evaluation panel but we expect to see a number of significant proposals being assessed over the next few weeks. We will then seek Member approval for any new allocation of funding from the residual pot in due course. 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)
- 3.22 REPF is a grant funding programme to external business and community applicants and allocation of these funds will follow a similar process to the UKSPF residual funding. The fund was launched in July 23 and we have seen strong interest from

local business and community organisations for the funding. To date the following grant awards have been approved.

- **Stourton Village Hall**, (community bid) for the installation of PV solar panels on the village hall roof – Total bid £16,625 and approved subject to planning permission.
- **Kinver Point Business Village** (business bid) conversion of an existing redundant farm building into office space, 2 indirect jobs created – Total bid £70,000, approved subject to planning permission.
- **Blinds and Shutter Company Ltd**, Penkridge (business bid) – conversion of industrial unit space into a showroom, 2 jobs created – Total bid £51,086, Approved subject to successful Certificate of Lawfulness application.
- **Springhill Cricket Club, Lower Penn** (Community bid) for installation of PV solar panels on the clubhouse roof. Total bid £9,360 and approved.
- **OCL Kingswinford Ltd, Swindon** (business bid) – creation of extra manufacturing space on existing site to make timber framed fencing and gates. 2 new jobs created, total bid £39,000. Approved subject to planning permission.
- **Hay House Education Ltd, Dunston Heath** (business bid) Creation of educational facility on an existing farm to teach younger children about farming. Total bid £13,200 and approved subject to submission of farm business accounts.

To date, no bids have failed to be recommended for approval by the evaluation panel, CLT and Cabinet. REPF bids are still being received and will be evaluated in due course and reported to Members in due course. 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://www.south-staffs.gov.uk/rural-england-prosperity-fund)

- 3.23 Much of the focus to date has been on setting up the necessary infrastructure to deliver a significant funding programme from a standing start, and on tendering for contracts to deliver specific elements of the programme, many of which have only recently commenced. Much of that is now in place which means that to date on a number of the interventions, delivery against outputs and outcomes has been fairly low, CBF aside. 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. As previously indicated, we will also be looking to devise a few extra qualitative indicators for our own benefit that better reflect the difference the funding is making to our residents and businesses.
- 3.24 To date we have received £1.39m from the government for years one and two of the three year UKSPF programme. As at 31 December 2023 we had spent approximately £250k of that allocation, which very much reflects the standing start with almost all of the allocated projects. As most of the year one and two projects have now started the spend profile will be increasingly significantly in the final quarter of 2023/24. Officers have profiled what we expect to spend in the remainder of this financial year and we're expecting to have spent above 80% of that £1.39m by year end.
- 3.25 We are having to report back to DLUHC twice a year on performance, spend, and any reprofiling of our projects and to date no major concerns have been raised by DLUHC.

- 3.26 It has been reported that nationally spend and delivery has been slow on UKSPF and it is recognised that as this is a completely new source of funding it has taken time for local authorities to gear up for delivery. We have been utilising some external support to date and that consultant is also working with a few other authorities in the region. She has confirmed our experience is common to all the authorities she's working with and that all of us are now on an upward trajectory of delivery and spend.

4. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 4.1 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.
- 4.2 Each project is expected to maintain their own risk log which feeds into the wider corporate operational risk register and is monitored regularly. Given the scale of the funding and the risks involved of not spending the money funding correctly, UKSPF will also be added onto the Council's strategic risk register which Members can monitor through the Integrated Performance Management reporting.

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 – Creating Brighter Futures – Progress against interventions.

Report prepared by: Grant Mitchell – Assistant Director Enterprise & Growth