

UK Shared Prosperity Fund

Plymouth



I. Background

Overview:

The UK Shared Prosperity Fund (UKSPF or the fund) 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. The UK Government has introduced the UKSPF as a replacement for previous European Structural and Investment Funds (ESIF). It provides £2.6 billion of new funding for local investment from April 2022 to March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. The design of the UKSPF was influenced by the Community Renewal Fund (CRF), which acted as a pilot for UKSPF and where Lead Authorities were asked by government to run competitive bidding processes and programme manage the successful bids. Plymouth received £1.17m to fund projects. Government has stated repeatedly that the CRF process has been an opportunity to learn from and has informed the approach to UKSPF. It is noteworthy, that CRF is still being delivered at this moment and will continue until December 2022.

UK Shared Prosperity Fund has three investment priorities: **community and place**, supporting **local businesses** and **people and skills**; all overarched by one objective, **building pride in place** and **increasing life chances**.

Communities and Place:

The objectives of this priority are to strengthen the social fabric and foster a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and access to amenities, such as community infrastructure and local green space and community-led projects.

To build resilient, healthy and safe neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built and natural environment as well as innovative approaches to crime prevention.

Local Businesses:

The objectives of this priority are to create jobs and boost community cohesion through investments that build on existing industries and institutions and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.

To promote networking and collaboration, through interventions that bring partners and businesses together to share knowledge, expertise, resources and stimulate innovation and growth.

To increase private sector investment in growth enhancing activities through targeted support to small and medium-sized businesses. Creating new-to-firm innovation, adopting productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow exports.

People and Skills:

The objectives of this priority are to boost core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills. To upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers.

To reduce levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need. Investment should facilitate the joined-up mainstream provision and local services within an area, improving employment outcomes for specific cohorts who face labour market barriers.

Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support including access to basic skills.

Supporting local areas to fund gaps in local skills provision to support people to progress in work and supplement local adult skills provision.

2. UK Shared Prosperity Fund - details and allocation

Government has decided that UKSPF will be distributed through Lead Authorities. Where they exist, Combined Authorities have been designated as Lead Authorities, and otherwise Unitary Authorities and Districts. A full list of places who have been designated as Lead Authorities is available online. Plymouth City Council has been designated as a Lead Authority.

Lead local authorities are responsible for developing an investment plan, which needs to cover how the money will be spend and what outputs will be delivered, of which the deadline for this to be submitted is 01 August 2022. Plymouth has received its conditional allocation for both Core UKSPF funding and the separate Multiply, adult numeracy programme, funding. This is the total funding for the three-year programme up until March 2025:

Core UKSPF = £3,131,412

Multiply = £1,317,533

Total = £4,448,945

Provisional guidance has been given for the capital and revenue split of the funding, this can be seen in the below table. It is worth considering that the capital percentages are a required minimum.

The funding has also been specified to be back-loaded, with the largest allocation in the final year, 2024/25. This is likely due in part to the fact that spend on the 'People and Skills' investment priority is reserved until the final year, 2024/25.

Yearly Allocation	22-23	23-24	24-25	Total
Plymouth	£380,026	£760,051	£1,991,335	£3,131,412

Core UKSPF: revenue %	90	87	80	
Core UKSPF: capital %	10	13	20	
Portion of allocation which is Capital	£38,003	£98,807	£398,267	£535,077
Portion of allocation which is Revenue	£342,023	£661,244	£1,593,068	£2,596,335

Each Lead Authority will be responsible for overseeing and managing the delivery of UKSPF. This will include the full spectrum of programme management functions such as assessing and approving applications, processing payments and day-to-day monitoring and contract management including claw back where necessary. They will have to report regularly to Government on progress.

Lead local authorities can determine, with partners, the most appropriate scale for each intervention – for example, regional, local or through collaboration with other places or bodies to deliver specific interventions. This can include working with places in different parts of the UK. This should consider value for money, effectiveness and current arrangements. Government is particularly encouraging regional cooperation with regards to business support and skills.

Lead local authorities for each area will have flexibility over how they deliver the Fund. They may wish to use a mix of competitions for grant funding, procurement, commissioning or deliver some activity through in-house teams. For example, some community level interventions may require a commissioning or in-house approach, recognising that competitions for grant may create barriers to participation in left behind communities.

While UKSPF has been announced as a replacement for European Structural Funding (ERDF and ESF), the amount of funding that Plymouth received is less than previously received from European sources. In addition, when reviewing the wider South West region of England, Plymouth's allocation is substantially lower than its neighbours, even when considering the variation in population. This poses a potential risk and challenge for Plymouth. This is very noticeable when drawing a comparison to the far higher allocation seen in Cornwall, their UKSPF Core funding allocation is approximately £225 per capita versus Plymouth with only approximately £12 per capita.

For Plymouth, this poses a significant challenge in retaining and improving the business stock and number of start-ups in the city. Businesses may choose not to base themselves within Plymouth as there is a more significant allocation in Cornwall. The higher allocation in these neighbouring areas may provide additional opportunities for these organisations to source funding or, due to the higher level of funding, may allow these neighbouring areas to provide additional programmes of support for business or community.

Given this, it is evident that the allocation Plymouth has received is not significant enough to fund all the opportunities or challenges of the area. We expect significantly more demand than what the Fund allocation will be able to support.

Timeline:

The UKSPF was officially launched on 13th April 2022 and additional guidance was released later that month. Further guidance is expected to be released by beginning of July. In addition, Government is conducting a series of webinars, which is still ongoing. The investment plans are due for submission to UK Government by the 1st August 2022.

All indicative investment plans will then be assessed and the first wave of approved plans should be expected from October 2022 onwards. The approval of the plans will accompany the first payments made from UK Government to the local authorities as indicated in the table below in section 5. Funding and delivery will then continue until March 2025 when the fund concludes.

Multiply:

Multiply, the adult numeracy programme, has separate ring-fenced funding from Core UKSPF. While this programme should align with UKSPF, the development is being led by a different Government department and it also has separate deadlines. The deadline for submitting the investment plan for Multiply is 30th June 2022. The work on this is being led by the Skills team and an executive decision has been prepared for this plan.

Partnership approach and engaging with local stakeholders:

Lead local authorities have been tasked with working with a diverse range of local and regional stakeholders; these can include business representative groups, employer bodies, businesses and civil society organisations amongst others.

These local partners should support lead local authorities in developing their investment plan and provide advice on strategic fit and deliverability.

Plymouth Growth Board is an existing public-private sector partnership that has membership from a diverse range of local stakeholders. The group provides membership which covers almost all of the listed potential stakeholders so is well positioned to meet the engagement needs of this fund.

At the last meeting, the Growth Board agreed in principle to act as the key partnership group and so will provide an ongoing support function for our development of our investment plan and provide advice to us on strategic fit and deliverability.

To ensure we follow an open process in our development of the UKSPF investment plan, we are providing continued, publically available engagement and information sessions. These provide a platform to both keep our local stakeholders informed of the process and for these individuals and organisations to provide feedback to us on what they consider to be the most vital interventions.

In addition to these engagement webinars, we have created a webpage on the PCC site which provides basic (<https://www.plymouth.gov.uk/investmentandgrowth/uksharedprosperityfund>).

UKSPF expression of interest forms were shared in early June to stakeholders across the city, these provide an opportunity for projects/programmes/organisations to summarise relevant work and the interventions they would be looking to fund. These forms will also provide an idea of costings for each projects and when delivery could take place. Our next publically available engagement webinar is being hosted on 22 June and will allow us to receive stakeholder feedback which will inform the development of the investment plan.

3. Timeline

When	Activity
02 February 2022	Pre-launch guidance
11 March	Plymouth City Council Devolution and UKSPF webinar briefing for stakeholders
13 April 2022	Fund launch
April – May 2022	Engagement sessions with local authorities and other local partners to support the investment plan process
April –June/July 2022	Lead local authorities work with stakeholders to develop local investment plans
	Investment plan portal logins issued.

22 June 2022	Growth and Infrastructure Overview and Scrutiny Committee
22 June 2022	Plymouth City Council UKSPF Webinar Stakeholder engagement
30 June 2022	Investment plan window opens
Early July 2022	Further guidance published including guidance on monitoring benefits and evaluation, assurance, subsidy control, branding and publicity. Application processes and templates for Northern Ireland will be published – these may be used by lead local authorities in England, Scotland and Wales where desired.
07 July 2022	Cabinet meeting
12 July 2022	Growth Board meeting
01 August 2022	Investment plan submission window closes
July-September 2022	Indicative investment plan assessment period for UK government
October 2022 onwards	Anticipated date for first investment plans to be approved
October 2022 onwards	Anticipated first payment to be made to lead local authorities
March 2025	Three year funding period ends

4. Recommendation

It is recommended that the committee notes the report and provides their view.