

Committee(s): Policy, Resources and Economic Development Committee	Date: 13 July 2022
Subject: UK Shared Prosperity Fund (UKSPF)	Wards Affected: All
Report of: Steve Summers, Strategic Director	Public
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Summary

Brentwood Borough Council has been allocated funding through the UK Shared Prosperity Fund, which can only be accessed through submission of an Investment Plan prior to the 1 August 2022 deadline.

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. 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. It will help places across the country deliver enhanced outcomes and recognises that even the most affluent parts of the UK contain pockets of deprivation and need support.

Recommendation

Members are asked to:

R1. Delegate authority to the Strategic Director, in consultation with the Chair of the Policy, Resources and Economic Development Committee, to prepare and submit an Investment Plan for the UK Shared Prosperity Fund.

Main Report

Introduction and Background

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 Programme (ESIF).
2. The Fund supports the ambitions of the Levelling Up White Paper and aims to build pride in place and increase life chances across the country.
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.
4. The UKSPF sets out three key investment priorities:
 - a) Community and Place
 - b) Supporting Local Businesses
 - c) People and Skills
5. The funding for the first two priorities will commence in 2022/23, while the 'people and skills' priority will commence in 2024/25.
6. In England, the UKSPF will operate across the geographies of the Mayoral Combined Authorities and lower tier or unitary authorities. As such, Brentwood Borough Council has been identified as the lead authority for the UKSPF within the borough of Brentwood.
7. The Council has been allocated exactly £1,000,000 through the UKSPF. This funding can only be accessed through a submitted Investment Plan.
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 Brentwood. The breakdown is as follows:

Year	2022-23	2023-24	2024-25
Allocation	£51,262	£102,524	£846,214

9. As can be seen above, the majority of the funding is not available until the third year (2024-25). It is therefore imperative that the intended spend within the Investment Plan reflects the allocation profile.

10. 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.
11. As lead authority, Brentwood Borough Council is responsible for developing a local Investment Plan which needs to be submitted to government by 1 August 2022. The Investment Plan must be approved by the government before the funding is made available. Once the Investment Plan is approved, the council will have responsibility for managing the Fund, processing payments and day-to-day monitoring.
12. The Investment Plan is completed using a set template, which addresses the local context, outcomes, interventions and delivery. UKSPF guidance provides 41 interventions that Brentwood projects should ideally align against. At this stage, projects do not need to be fully developed and the information required about each project to be included within the Investment Plan is not onerous.
13. Investment plans do not need to cover each of the three key priority areas but should instead seek to address local challenges and opportunities.
14. The DLUHC are responsible for leading the assessment process for signing off investment plans. Where a plan cannot be signed off first time, feedback will be given and the DLUHC will work with the lead authority to secure sign off.
15. Collaboration with partners is a core component of the Fund. Working across boundaries with different local authorities is heavily encouraged, this especially applies to the *supporting local business* and *people and skills* priorities. Lead authorities should aim to include as wide a range of stakeholders and partners as possible; these include:
 - a) local businesses and investors
 - b) business support providers or representatives
 - c) local partnership boards and strategic bodies
 - d) prominent local community & 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) police and crime representatives
 - j) local MPs
16. Collaboration has taken place with Rochford District Council along with other Essex authorities to identify potential synergies. Engagement with other stakeholders including those listed above will be ongoing throughout the process.

Issue, Options and Analysis of Options

17. The council has appointed a local consultant firm, Russell and Dawes to develop its Investment Plan in advance of the 1 August 2022 deadline.
18. The proposed Investment Plan identifies priorities with the council's Corporate Plan 2020-2025 that align with the Investment Priorities of the UKSPF and consists of an outline proposal that features a focus on high street regeneration, both through physical improvements and through the promotion of a local arts and cultural offering to develop a stronger and identifiable Brentwood borough brand. Projects are likely to include, but not necessarily limited to:
 - a) Investment in open air markets, events and improvements to town centre retail and service sector infrastructure
 - b) Support for local arts, cultural, heritage and creative activities
 - c) Development and promotion of wider campaigns which encourage people to visit and explore the local area
 - d) Development and promotion of the visitor economy, such as local attractions, trails, tours and tourism products
 - e) Support businesses at all stages of their development to start, sustain, grow and innovate
 - f) Support decarbonisation and improving the natural environment whilst growing the local economy
19. At this stage, the Investment Plan needs to provide an indication of the expected projects but these projects need not be exhaustively defined. It is accepted that a degree of refinement and refocus will be required over time as priorities and opportunities become clearer. Therefore, the council is not expected to exhaustively define its priorities for the Fund at this stage and doing so may impact its ability to prepare an Investment Plan before the deadline.
20. The council is not obliged to prepare and submit an Investment Plan prior to the 1 August 2022 deadline. However, a decision to not do so would forego the Council's allocation through the UKSPF and in doing so, would forego the opportunity to fund new interventions in the borough and the opportunities to improve outcomes for its residents and businesses.
21. By preparing an Investment Plan the council will be able to access allocated funding through the UKSPF and address opportunities to improve outcomes for local residents and businesses. Should this Investment Plan not be prepared, either robustly or at all, there is a risk that the council will not receive this allocation. The council is engaging specialist consultancy to ensure its

Investment Plan is robust.

22. The council has undertaken initial engagement with stakeholders and will continue to undertake such engagement throughout the process to ensure opportunities are identified and inefficiencies avoided. This will mitigate risk of missed opportunities or duplicative work that may otherwise lead to a lower quality of output from the funding.

References to Corporate Plan

23. The council's Corporate Strategy identifies priority areas, which include protecting our environment, growing our economy, improving housing, and developing our communities. The project affects strategic priorities through its proposals. The council's Economic Development Strategy defines economic objectives that will be consistent with the Investment Plan for Brentwood.

Implications

Financial Implications

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24. The Fund has been allocated to cover the cost of projects that deliver local benefits. The Investment Plan needs to identify the council's strategic priorities for the Fund, along with expected outputs and outcomes.
25. In addition to the £1m UKSPF allocation, a further one-off allocation of £20k will be provided from DLUHC for consultancy support.
26. The Council will be able to use up to 4% of our UKSPF allocation to undertake necessary fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.

Legal Implications

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27. All spend associated with the Fund must be compliant with the Public Contracts Regulations 2015 and follow the Council's procedures.

Economic Implications

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28. The economic implications are included within this report. The Fund provides investment for projects that help to deliver economic growth. It is important that

the council identifies broad themes through its Investment Plan to secure allocated funding.

Equality and Diversity Implications

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29. Equality implications will be considered as individual work streams are developed.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

30. Investment in High Streets and related initiatives can include elements of designing out crime. Engagement with key stakeholders has included Essex Police and this will continue as part of further defining projects.

Background Papers

- The UK Shared Prosperity Fund guidance has been published online: <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

Appendices to this report

None