

|   |                              |
|---|------------------------------|
| <b>Committee(s):</b> Policy, Resources and Economic Development Committee   | <b>Date:</b> 8 February 2023 |
| <b>Subject:</b> UK Shared Prosperity Fund 2023-2025   | <b>Wards Affected:</b> All   |
| <b>Report of:</b> Steve Summers, Strategic Director   | <b>Public</b>                |
| <b>Report Author/s:</b><br>Name: Laurie Edmonds, Corporate Manager (Economic Development)<br>Telephone: 01277 312500<br>E-mail: laurie.edmonds@brentwood.gov.uk | <b>For Decision</b>          |

### Summary

On 13 July 2022, the Policy, Resources and Economic Development (PRED) Committee granted delegated authority to the Strategic Director, in consultation with the Chair of PRED Committee, to prepare and submit an Investment Plan for the UK Shared Prosperity Fund (UKSPF). On 1 August 2022, Brentwood Borough Council submitted its UKSPF Investment Plan. On 5 December 2022, the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that they had concluded the validation of the Brentwood Investment Plan.

Due to tight time constraints, a paper for decision was taken to the Community, Environment and Enforcement (CEE) Committee on 19 December 2022 to delegate authority to the Strategic Director to accept the 2022/23 UK Shared Prosperity Fund grant of £51,262 and to delegate authority to the Strategic Director, in consultation with the Chairs of the CEE and PRED Committees, to allocate funding for 2022/23 in line with the council's submitted UKSPF Investment Plan.

A memorandum of understanding was subsequently signed by the council's Chief Executive and returned to DLUHC on 20 December 2022 to accept the 2022/23 UKSPF grant of £51,262.

## **Recommendations**

**Members are asked to:**

**R1. Delegate authority to the Strategic Directors to accept the 2023/24 UKSPF grant of £102,524 and the 2024/25 UKSPF grant of £846,214.**

**R2. Delegate authority to the Strategic Directors, in consultation with the Chair of PRED Committee, to distribute funding from 1 April 2023 – 31 March 2025 in line with the council's submitted UKSPF Investment Plan.**

**R3. Delegate authority to the Strategic Directors, in consultation with the Chair of PRED Committee, to revise UKSPF budgets as required between 1 April 2023 – 31 March 2025.**

## **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 Fund (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:

| <b>Year</b>       | <b>2022-23</b> | <b>2023-24</b> | <b>2024-25</b> |
|-------------------|----------------|----------------|----------------|
| <b>Allocation</b> | £51,262        | £102,524       | £846,214       |

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.
10. As lead authority, the council was responsible for developing a local Investment Plan. On 13 July 2022, the PRED Committee granted delegated authority to the Strategic Director, in consultation with the Chair of the committee, to prepare and submit an Investment Plan for UKSPF.
11. The council's Investment Plan was submitted to government on 1 August 2022.
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) **E6**: Support for local arts, cultural, heritage and creative activities
  - c) **E10**: Funding for local sports facilities, tournaments, teams and leagues; to bring people together
  - d) **E23**: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks

13. The council has budgeted its £1m UKSPF funding amongst the interventions as follows:

| Investment Priority | Intervention   | Capital 22/23 | Revenue 22/23 | Capital 23/24 | Revenue 23/24 | Capital 24/25 | Revenue 24/25 | Totals     |
|---------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| Communities & Place | E1: Improvements to town centres & high streets            | £1,708        | £13,668       | £4,443        | £26,316       | £56,414       | £197,451      | £300,000   |
| Communities & Place | E6: Local arts, cultural, heritage & creative activities   | £1,709        | £13,669       | £4,443        | £26,314       | £56,415       | £197,450      | £300,000   |
| Communities & Place | E10: Local sports facilities, tournaments, teams & leagues | £1,710        | £13,667       | £4,443        | £26,315       | £56,415       | £197,450      | £300,000   |
| Local Business      | E23: Strengthening local entrepreneurial ecosystems        | £0            | £5,128        | £0            | £10,253       | £0            | £84,619       | £100,000   |
|                     |  |               |               |               |               |               |               | £1,000,000 |

14. The submitted Investment Plan identifies priorities within 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.
15. Projects are likely to include, but are not necessarily limited to:
- Investment in open air markets, events and improvements to town centre retail and service sector infrastructure
  - Support for local arts, cultural, heritage and creative activities
  - Support for local sports facilities, tournaments, teams and leagues
  - Development and promotion of wider campaigns which encourage people to visit and explore the local area
  - Development and promotion of the visitor economy, such as local attractions, trails, tours and tourism products
  - Support businesses at all stages of their development to start, sustain, grow and innovate
  - Support decarbonisation and improving the natural environment whilst growing the local economy
16. Working across boundaries with different local authorities is heavily encouraged, especially around the *supporting local business* priority. Collaboration has taken place with Rochford District Council as part of the councils' OneTeam partnership, along with other Essex authorities, to identify potential procurement synergies.

17. DLUHC has stated in a UKSPF FAQ that some priorities may change following investment plan sign-off. DLUHC will work with the lead local authority should any changes need to be made to the investment plan. For example, should a business improvement district (BID) be established later this year, funding earmarked for E1 high street interventions could be allocated to another intervention.
18. Government has indicated that 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 Fund investments complement other activities in the area and meets Fund and local objectives. This group is advisory and not a decision-making body.
19. The Local Partnership Group will be convened by the lead local authority and according to the UKSPF guidance 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 & 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 MP
20. The Brentwood Borough UKSPF Local Partnership Group met on 20 December 2022 and will continue to meet quarterly until March 2025.

### **Issue, Options and Analysis of Options**

21. The council's Investment Plan was approved by the government on 5 December 2022. The UKSPF memorandum of understanding signed by the council's Chief Executive needed to be returned to DLUHC no later than 23 December 2022 to claim the 2022/23 grant totalling £51,262.
22. The next PRED Committee meeting was not scheduled until 8 February 2023. Waiting until this date for a decision about delegated authority to allocate funding for 2022/23 would have risked the council not being able to spend its initial UKSPF allocation by 31 March 2023.
23. A paper for decision was taken to the Community, Environment and Enforcement (CEE) Committee on 19 December 2022 with two recommendations:

- a) R1: Delegate authority to the Strategic Director to accept the 2022/23 UKSPF grant of £51,262.
  - b) R2: Delegate authority to the Strategic Director, in conjunction with the CEE and PRED Chairs, to allocate funding for 2022/23 in line with the council's submitted UKSPF Investment Plan.
24. Due to the short delivery window for 2022/23 and the limited funding available, the council will commission third party organisations or procure service provision to deliver 2022/23 UKSPF projects.
25. For 2023/24 and 2024/25, UKSPF funds will be allocated in a combination of grants to public or private organisations, commissioning third party organisations, procurement of service provision and in-house provision.
26. Lead local authorities will be asked to report data to DLUHC to ensure that allocations are being spent to agreed timescales and milestones, including achievement of outputs and outcomes at the project level. DLUHC will also ask local authorities to report individual project outputs and outcomes at UK Parliament constituency level.
27. Each lead local authority will be able to use up to 4% of their allocation by default to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.
28. As part of the councils' OneTeam approach, Brentwood and Rochford will be combining up to 4% of their UKSPF allocation to fund the secondment of a member of Brentwood Borough Council staff to undertake UKSPF administration for both councils.
29. Future UKSPF updates will be brought to the PRED Committee.

### **References to Corporate Plan**

30. 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**

**Name/Title: Tim Willis, Interim Director – Resources (S151 Officer)**

**Tel/Email: 01277 312500/tim.willis@brentwood.rochford.gov.uk**

31. The Fund has been allocated to cover the cost of projects that deliver local benefits. The Investment Plan has identified the council's strategic priorities for the Fund, along with expected outputs and outcomes.
32. In addition to the £1m UKSPF allocation, a further one-off allocation of £20k will be provided from DLUHC for consultancy support.
33. 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**

**Name & Title: Andrew Hunkin, Interim Director – People & Governance (Monitoring Officer)**

**Tel & Email: 01277 312500/andrew.hunkin@brentwood.rochford.gov.uk**

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

### **Economic Implications**

**Name/Title: Phil Drane, Director – Place**

**Tel/Email: 01277 312500/phil.drane@brentwood.rochford.gov.uk**

35. The economic implications are included within this report. The Fund provides investment for projects that help to deliver economic growth.

### **Equality and Diversity Implications**

**Name/Title: Kim Anderson, Corporate Manager – Communities, Leisure and Health**

**Tel/Email: 01277 312500/kim.anderson@brentwood.gov.uk**

36. 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.

37. 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**

- None