

REPORT TITLE: UK SHARED PROSPERITY FUND – INVESTMENT PLAN PROPOSAL

19 JULY 2022

REPORT OF CABINET MEMBER: Cllr Lucille Thompson, Cabinet Member for Business and Culture

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WARD(S): ALL

PURPOSE

This reports provides a brief summary of the Government's UK Shared Prosperity Fund together with details of the approach taken to develop the application submission and investment plan that is required to draw down the council's allocation.

The Government has allocated £1m to the council with discretion as to what this should be spent on within the framework of the fund's investment priorities and outcomes, with spend profiled across a three year period 2022/23 to 2024/25.

To create a list of project interventions for the investment plan contact has been made with a number stakeholders and partners; members and parish councils and officers across the council to gather ideas and feedback. This forms the basis of the investment plan which also includes details of the local challenges and opportunities as they relate to the three priorities of Community and Place, Supporting Local Business and People and Skills, the approach to delivery and governance to oversee the programme and our capability and capacity to deliver. This report also gives details for these aspects of the investment plan.

RECOMMENDATIONS:

That Cabinet:

1. Note the UK Shared Prosperity Fund (UKSPF) Prospectus and UK Shared Prosperity Fund Allocations
2. Note the list of potential projects and indicative UKSPF allocation as outlined in Table 2, to be funded from the Council's allocation of the UK Shared Prosperity Fund
3. Delegate authority to the Corporate Head of Service: Economy & Communities, in consultation with the Cabinet Member for Business and Culture, to take the necessary decisions and actions required to submit an investment plan and accept the allocation of funds
4. Delegate authority to Corporate Head of Service: Economy & Communities to implement and administer the scheme and all related plans in accordance with the requirements and priorities of the prospectus and fund
5. Authorise use of the available £20,000 to undertake initial preparatory work for the UKSPF, including developing the local investment plan for submission.
6. Authorise use of the UKSPF 4% administration allocation to support the productive delivery and administration of the fund.

IMPLICATIONS:

1 **COUNCIL PLAN OUTCOME**

1.1 Tackling the Climate Emergency and Creating a Greener District

Climate change and environmental impacts will be fully considered as part of all related UKSPF interventions.

1.2 Vibrant Local Economy

The UKSPF will contribute to the council's objectives of working with our key stakeholders to position Winchester district as a centre for digital, creative, knowledge intensive networks, supporting business in meeting the challenge of carbon neutrality and encouraging 'green growth' and promoting our independent businesses and supporting start-ups. The Supporting Local Business investment priority will require interventions and actions that meet the objectives of:

- a) Creating jobs and boosting community cohesion that builds on existing industries and institutions, and range from support for starting

businesses to visible improvements to local retail, hospitality and leisure sector facilities.

- b) Promoting networking and collaboration that bring together businesses and partners to share knowledge, expertise and resources, and stimulate innovation and growth.
- c) Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

1.3 Living Well

The UKSPF will help focus our activities on the most disadvantaged areas, communities and groups, supporting a greater diversity of residents and maintaining and enhancing open spaces and parks.

The People and Skills investment priority requires interventions that are expected to focus on (but are not limited) to people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/ offenders, people with substance abuse problems and victims of domestic violence).

Interventions need to meet the objectives of:

- a) Boosting core skills and supporting adults to progress in work.
- b) Reducing levels of economic inactivity through bespoke intensive life and employment support tailored to local need.
- c) Supporting people furthest from the labour market to overcome barriers to work.
- d) Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision.

In addition the Community and Place investment priority requires interventions to meet objectives of:

- e) Strengthening our social fabric and fostering a sense of local pride and belonging, through activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.
- f) Building resilient, safe and healthy neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment and innovative approaches to crime prevention.

1.4 Your Services, Your Voice

The council wishes to:

- a) Involve the public, businesses, stakeholders and ward councillors earlier in the design, deliberation and decision-making process
- b) Embed effective partnership working with the community, voluntary groups and organisations, local businesses, our suppliers and other public bodies

The delivery of the UKSPF requires the council to establish governance that includes a Partnership Board. This Board should be made up of a wide and diverse range of partners and stakeholders that may include representatives from:

- The lead local authority / Town Forum /Parish councils
- Local businesses and investors (large employers and small and medium sized employers)
- Business support providers or representatives, including sectoral representatives relevant to the place (for example – cluster bodies, tourism organisations)
- Local partnership boards and strategic bodies where relevant for example, EM3 LEP
- Regional representatives of arms-length bodies of government (where appropriate)
- Prominent local community & faith organisations
- Voluntary, sector social enterprise and civil society organisations
- Rural representatives
- Education and skills providers – for example higher education institutions and further education colleges, adult learning providers
- Employment experts and providers – for example Jobcentre Plus representatives and employment related service providers
- Nature, environmental or associated representatives
- Public health representatives
- Police and crime representatives (such as Police and Crime Commissioners where relevant)

2 FINANCIAL IMPLICATIONS

- 2.1 Funding has been allocated to local authorities using a formula rather than a competition, with Winchester City Council being allocated £1m over three years. The investment plan identifies proposed projects and budget for various interventions. Projects that are brought forward and selected for delivery funding will need to account for all costs (including staff) and any additional capital funding and ongoing maintenance costs implications.
- 2.2 It is proposed to use the available £20,000 to undertake initial preparatory work for the UKSPF, including developing the local investment plan for submission.
- 2.3 It is proposed to use the UKSPF administration allocation (4%) to support the productive delivery and administration of the fund by providing resources within the Economy & Community service to administer the scheme.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Investment plans are subject to central government approval, which will only be given where a lead local authority can show it has the capacity and capability to manage Subsidy Control and Public Procurement law compliance.
- 3.2 The rules governing Subsidy Control are about to change. In April, the Subsidy Control Act 2022 received Royal Assent, although the Act is not yet fully in force. It will be underpinned by guidance and secondary legislation, which is currently being consulting on, and the new regime is expected to become operational during the autumn. Under the new regime, public authorities will be required to self-assess whether the financial assistance they grant is consistent with key principles and will be required to publish information about subsidies. A Subsidy Advice Unit will be established within the Competition and Markets Authority, which will have oversight of the new regime and will be responsible for advising public authorities on more complex subsidy measures.
- 3.3 The rules governing Public Procurement will also need to be complied with. As the Council already has clear purchasing arrangements in place it should be straightforward to provide assurance about the compliance of awards made. To demonstrate value for money, procurement to deliver the range of projects if funding is secured, will be considered per project in accordance the grant, the Councils Contract Procedure Rules and the Public Contract Regulations 2015.

4 WORKFORCE IMPLICATIONS

- 4.1 Delivery of the UKSPF and its related interventions will require staff resources in the form of managing the programme delivery, engagement and promotion, reporting to government etc. and this will be resourced from the Economy & Community Service. Projects and service delivery that is funded through this programme must include costs to cover any additional staff resources required to implement and complete the work.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The funding does allow for capital investment therefore may have implications for property and assets. As proposals are developed for funding these will be fully assessed as part of the project selection requirements.
- 5.2 Further to making any decision that relate to property and assets, such as whether or not to dispose and acquire, which mechanism and the property and/or project development, the Public Sector Equality Duty (PSED) objectives must be taken into consideration. A further consideration will be whether public property and assets are able to comply with the PSED such as design and access.

6 CONSULTATION AND COMMUNICATION

- 6.1 The Fund has been communicated to a range of partners and stakeholders, with request for input on ideas for action or projects in line with investment priority interventions. This has included internal teams, all Members, other local authorities and stakeholders/partners. This has included organisations from across the district and areas of interest and sectors such as transport, climate emergency, education, business, rural, culture and community.
- 6.2 Information on the opportunity has been shared with the council's City Centre Partnership, Winchester BID and at the Parish Liaison meeting, Individual conversations have taken place with Hampshire County Council with regard to skills and South Downs National Park Authority in relation to support for land based businesses and farmers.
- 6.3 The outline plan will also be shared with relevant Members of Parliament for the district.
- 6.4 In order to feedback to partners and stakeholders following the call for ideas, and to advise of the next stages, it is proposed that a webinar is arranged to share the Investment Plan with a wide audience prior to final submission.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The fund can provide opportunities for projects to support the Council's 2030 Carbon Neutrality target and the objectives outlined in the Carbon Neutrality Action Plan.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 Addressing inequalities is the raison d'être of the Levelling Up agenda. The Shared Prosperity Fund overarching objective is "building pride in place and increasing life chances" to help address inequalities in our society.

Having due regard for advancing equality involves: removing or minimising disadvantages suffered by people due to their 'protected characteristics'; taking steps to meet the needs of people with protected characteristics where

these are different from the needs of other people; and, encouraging people with protected characteristics to participate in public life or in other activities where their participation is disproportionately low. We must therefore consider how programmes and service delivery will affect people with protected characteristics.

- 8.2 As part of the proposed governance for the delivery of the council's UKSPF the Corporate PSED Panel will be used to advise and give guidance on investments that come forward for implementation. This will also include a requirement for projects and services to complete an Equality Impact Assessment. This will also relate to any grant programmes developed and the need of any organisations commissioned to delivery services to actively promote their project/service to all sections of the community and to demonstrate that they do so.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The submission of the investment plan does not have any direct implications for data protection. However projects funded under this programme may have implications as they will involve local people, the details of whom may need to be captured, for example enrolling on a skills course or participating in a community support. Projects and services that do require the holding of individual personal data will be required to demonstrate that they are GDPR compliant in handling and storing such data.

10 RISK MANAGEMENT

- 10.1 Medium Risk; This report highlights the need to quickly establish a local partnership group to guide the development of an Investment Plan which will need to be submitted to government by the 1st August. There will be an ongoing need for robust programme management to ensure that the key interventions contained in the Investment Plan are delivered.

Risk	Mitigation	Opportunities
<p><u>Financial Exposure</u></p> <p>The fund must be used for the purposes it is intended – if not there may be a need to claw back funds.</p> <p>The programme under or overspends on the budget allocation and profile.</p>	<p>Detailed financial performance monitoring and will be built into the programme management processes for each project and service and will form part of the grant agreement / contract.</p> <p>There will also be programme level financial monitoring and reporting to both the external</p>	

	Partnership Board but also through the council's corporate accounting procedures.	
<p><u>Exposure to challenge</u></p> <p>As there is limited funds available so there may be challenge on why certain interventions are given funding and not others.</p>	An open and transparent process for final project selection. A costed business case for each will need to be provided to the Partnership Board that will advise on selection.	
<p><u>Innovation</u></p> <p>New programmes and funding regimes with fixed frameworks can stifle innovation in delivery</p>	Some projects and services will be aimed at new activity and new approaches will be encouraged within the scope of the UKSF framework.	
<p><u>Reputation</u></p> <p>Failure to achieve the outcomes and share the benefits of the UKSPF across the district results in negative perception of the council.</p>	A Partnership Board with cross district representation will ensure the view of a wide range of interests and places are considered in the selection and delivery of projects.	As outcomes are achieved there is the opportunity for PR and reporting on what investments have delivered to showcase action across the district.
<p><u>Achievement of outcome</u></p> <p>The projects and services fail to meet the target outcomes they are were designed to achieve.</p>	<p>The milestones, expectations and timescales will be set out in a Memorandum of Understanding. There will be a formal reporting request every six months, with qualitative updates on a more frequent basis also required.</p> <p>Projects / service deliverers will be required to carry out evaluations of the intervention to</p>	Opportunity exist to develop evaluation and customer insight process and approaches by learning from other organisation undertaking this as part of their project / service delivery evaluation.

	demonstrate the effectiveness and achievement of outcomes.	
<u>Property</u> Investment in property increases ongoing costs or fails to achieve the planned savings and improvements.	All capital expenditure projects will be required to include all financial implications within the detailed business case and final proposals for funding.	
<u>Community Support</u> There is a lack of capacity within local community organisations to deliver or participate in projects.	Project / service deliverers will be required to include all staff costs and resources necessary to deliver the intervention within the detailed project submission for funding.	Projects that support community development are included in the programme.
<u>Timescales</u> Projects are not delivered to the required deadlines.	The Partnership Board will provide oversight to the funding programme monitoring delivery and identifying delays and slippage so that these can be addressed at the earliest opportunity.	
<u>Project capacity</u> Lack of staff resources reduces capacity to deliver the projects and services.	Project / service deliverers will be required to include all staff costs and resources necessary to deliver the intervention within the detailed project submission for funding.	

11 SUPPORTING INFORMATION:

Introduction and Background

- 11.1 The UKSPF supports the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:

- a) Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- b) Spread opportunities and improve public services, especially in those places where they are weakest.
- c) Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- d) Empower local leaders and communities, especially in those places lacking local agency.

11.2 Funding allocation and profile

11.3 Funding has been allocated to local authorities using a formula rather than a competition, with Winchester City Council being allocated £1m over three years. The Winchester City Council allocation, as stipulated by government, has been distributed across the three year fund period and split between capital and revenue.

11.4 **Table 1 Winchester City Council Funding Allocation**

Local authority	2022-23	2023-24	2024-25	Total
Winchester	£59,195	£118,390	£822,415	£1,000,000
Admin fee 4%	£2,368	£4,736	£32,897	£40,000
Allocation	£56,827	£113,654	£789,518	£960,000
Revenue - maximum £	£51,144	£98,879	£631,614	£781,639
Revenue - maximum %	90%	87%	80%	
Capital - minimum £	£5,683	£14,775	£157,904	£178,361
Capital - minimum %	10%	13%	20%	

11.5 Payments for statutory duties or work that is fully funded by other sources cannot be covered by UKSPF.

11.6 Once the council's investment plan is approved, the first payment is expected from October 2022. A Memorandum of Understanding will be issued by government that will set out the terms of the grant.

11.7 **Investment Plans**

11.8 The investment plan has three broad stages:

- a) Local context: Setting out local evidence of opportunities and challenges through the lens of the three investment priorities for UKSPF.
- b) Selection of outcomes and interventions: Identifying the outcomes that the council wishes to target based on local context, and the interventions to prioritise.
- c) Delivery: Setting out the process for delivering the fund. This is broken down into the following:
 - (i) Approach to delivery and governance.
 - (ii) Expenditure and deliverables.
 - (iii) Capability and resource.

11.9 Local Context

11.10 Drawing in the Council Plan 2021, The Green Economic Development Strategy 2022 to 2032 and the Carbon Neutrality Action Plan 2020 to 2030 and work that underpins the Winchester Movement Strategy and Central Winchester Regeneration, challenges and opportunities that are specific to the district have been identified. These include:

- a) Communities and Place
 - (i) Pockets of deprivation across the district
 - (ii) The need to enhance and increase community infrastructure and access to green space
 - (iii) Improvements to local high streets
 - (iv) Developing greater social and community participation in local life
 - (v) Supporting and facilitating cultural and wellbeing provision
- b) Supporting Local Business
 - (i) Support high street businesses and street markets
 - (ii) Developing digital capability in businesses
 - (iii) Supporting land based businesses/ farmers to diversity
 - (iv) Support and growing creative businesses, entrepreneurs and freelancers
- c) Skills and People
 - (i) Increasing residents digital skills
 - (ii) Increasing green / low carbon skills
 - (iii) Increasing employability skills

11.11 Selection of outcomes and intervention

- 11.12 Specifics on projects are not expected at investment plan stage but should provide details of projects to be delivered at the intervention level and how project will be brought forward.
- 11.13 A call for intervention and project ideas was made and a number of proposals were received that covered climate emergency; community support and wellbeing; rural and town, sector support in creative and culture; skills development and business support. In fact the total estimated value of project ideas exceed £3.5m. Therefore a short list of potential projects has been created, but all projects are recorded so, that should any fail to develop or that can be funded from other sources, there is a pipeline of actions we can call on to ensure the allocation is fully utilised.
- 11.14 Projects on the short list have been selected as they achieve investment in the identified priorities including capital expenditure, give a good spread of investment across the district and across sectors, and provide a mix in the form of support offered from strategic to the very local community level. There interventions are also to be delivered by a range of organisations.
- 11.15 By grouping the types of interventions and allocating a budget to each allows for projects to come forward and be fully developed into a detailed proposal that will be reviewed by the Partnership Board. Therefore the Table 2 gives this high level indicative allocation of funds with suggested proposals to show how the allocation has be derived. Proposals on this list may change and should not be considered as the final agreed projects.
- 11.16 **Table 2: Indicative Expenditure Profile by Investment Priority and Intervention**

Investment Priority	Intervention	UKSPF Indicative Allocation	% of Total Allocation	Suggested potential project proposal
Communities & Place	E1: Improvements to town centres & high streets	£250,000	25%	City centre and market town improvements e.g. Wickham Square
	E3: Creation of and improvements to local green spaces	£90,000	9%	Parish council projects, North Walls Park Plan and St Giles Hill Park Improvement
	E6: Local arts, cultural, heritage & creative activities	£65,000	7%	Light festival History festival support Jane Austen 250 anniversary
		£60,300	6%	Playmakers Happiness Centre
	E8: Campaigns to encourage visits and exploring of local area	£18,000	2%	Sustainable tourism marketing and ad campaign
	E9: Impactful volunteering and/or social action projects	£12,000	1%	HCT - volunteer programme
	E10: Local sports facilities, tournaments, teams & leagues	£5,000	1%	School holiday sports clubs
		£5,000	1%	Coaching qualification grants
E11: Capacity building &	£30,500	3%	Support to Community Hubs	

Investment Priority	Intervention	UKSPF Indicative Allocation	% of Total Allocation	Suggested potential project proposal
	infrastructure support local groups			
	E13: Community measures to reduce the cost of living	£30,000	3%	WeCAN - encouraging community sustainability action
	E14: Relevant feasibility studies	£35,000	4%	Community & Wellbeing strategy
Communities & Place	Interventions Total	£600,800	60%	
Local Business	E16: Open markets & town centre retail & service sector	£30,000	3%	Support to businesses in market towns Improvement to street market branding and stalls
	E17: Development & promotion of visitor economy	£19,100	2%	Food trail / Made in Winchester district to promote local produce and sellers Display Boards
	E19: Investment in research & development at the local level	£40,000	4%	Digital growth factory
	E23: Strengthening local entrepreneurial ecosystems	£40,000	4%	Play to the Crowd - HCT - City of Festivals
	E29: Supporting decarbonisation & improving natural environment	£75,000	8%	SDNP - Natural capital revolving fund
Local Business	Interventions Total	£204,100	20%	
People & Skills	E34: Courses including basic, life & career skills	£10,000	1%	HCT - Digital Basics Learning Programme
	E35: Enrichment & volunteering activities	£10,000	1%	Sustrans - Health Walks
	E36: Increase levels of digital inclusion, essential digital skills	£50,000	5%	Improving digital skills for Winchester residents
	E38: Local areas to fund local skills needs	£50,000	5%	HCC contribution to county wide skills schemes
	E39: Green skills courses	£35,000	4%	Sparsholt College - Demonstrator Infrastructure to establish Ultra-low carbon vehicles training
People & Skills	Interventions Total	£155,000	16%	
	Administration 4%	£40,000	4%	
	Allocation Totals	£999,900	100%	

11.17 As there is a requirement for funding expenditure of £56,827 between October 2022 and the end of March 2023 so is recommended that specific projects are

identified for this. Table 3 below sets out these proposed projects by intervention.

11.18 **Table 3. Project Proposal for 2022-23 Delivery**

Project proposal	Capital	Revenue	Total
Lights festival	£10,000	£10,000	£20,000
Playmakers Happiness Centre	£2,500	£7,300	£9,800
Street Market stalls & signage improvements	£10,000		£10,000
Sustainable tourism development		£8,000	£8,000
Local producers / Made in Winchester district trail		£4,000	£4,000
HCT - volunteer programme		£5,000	£8,000
Total	£22,500	£34,300	£56,800

11.19 Delivery

11.20 A governance arrangement is proposed that establishes a Partnership Board to provide representation for a diverse range of interests, organisation and places. The Partnership Board will need to relate to other existing groups in particular the Advisory Board for the Green Economic Development Strategy and the Climate Emergency Stakeholder Group and Open forum. It may be possible to combine or link some of these groups to avoid duplication and increase participation. In particular the informal City Centre Partnership could be developed, expanded to include the wider district interests and formalised to fulfil this function.

11.21 The following table suggests the representatives that could be invited to be part of the Board, however this is not a final agreed list and further work is required to select and invite nominees to participate.

11.22 **Table 4: Potential membership of the Partnership Board**

Type	Examples of nominated representation	
Local authority	Cabinet Members for: <ul style="list-style-type: none"> • Business and Culture • Housing and Community Winchester Town Forum Parish Council(s) Hampshire County Council MPs	Officers: Strategic Director Place Corporate Head for Economy & Community Finance Corporate Public Sector Equality Duty Panel member
Groups and Forums	Chair / nominated representative from: <ul style="list-style-type: none"> • GEDS advisory Board • Climate Emergency Stakeholder Group • City Centre Partnership • Market Town forums 	
Organisations / Business	Climate	Sustainable Business Network WinACC
	Community	Community First Equality & diversity groups Local community associations Housing Tenants
	Rural	National Farmers Union South Downs National Park Authority CPRE
	Business	Enterprise M3 LEP Hampshire Chamber of Commerce FSB Winchester BID
	Education	University of Winchester Winchester College Peter Symonds Sparsholt Collage
	Culture	Hampshire Cultural Trust Play to the Crowd
	Transport	Sustrans Stagecoach

11.23 The Terms of Reference for the Partnership Board setting out the scope, roles and responsibilities also needs to be agreed in line with the council's Partnership Management Guidance. Matters that need to be determined include:

- (i) Structure
- (ii) Purpose and aims
- (iii) Activities and delivery outcomes
- (iv) Roles and responsibilities
- (v) Membership (inc. joining and leaving protocols)

- (vi) Regulatory framework
- (vii) Exit strategy

11.24 It is recommended that the Corporate Head of Economy & Communities be given delegated authority to finalise the governance arrangements for the local Partnership Board.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 Do not submit an investment plan to draw down the council's UKSPF allocation. This is not recommended as the council would miss out on the opportunity to secure £1m funding for the district.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None

Other Background Documents:-

UKSPF Prospectus - <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>