



**REPORT FROM: PLANNING, ECONOMIC DEVELOPMENT AND
REGULATORY SERVICES MANAGER**

TO: POLICY AND RESOURCES COMMITTEE

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UK SHARED PROSPERITY FUND (UKSPF)

PURPOSE OF REPORT

1. To inform members on the guidance and arrangements for the UK Shared Prosperity Fund (UKSPF)
2. To agree on the process for producing the Investment Plan.

RECOMMENDATIONS

- (1) That a Local Partnership Group be set up to steer the Investment Plan and this be chaired by the Leader of the Council or his nominated representative.
- (2) That the Chief Executive be given delegated authority to develop and submit the Investment plan, in consultation with the Leader of the Council.

REASONS FOR RECOMMENDATIONS

- (1) This is a requirement of the national arrangements for the UKSPF and the Council Leader is an appropriate person to chair the group.
- (2) The timetable for producing the Investment Plan is extremely tight and there is a need to provide an efficient but robust process for its development.

Introduction

1. The UK Shared Prosperity Fund (UKSPF) was formally launched by central government on 13th April 2022, with a published prospectus setting out government's aims for the fund, allocations to local government and guidance on how to apply for the funding.
2. There is an allocation of £3,626,135 for Pendle Borough Council within the fund but an investment plan must be submitted to government by 1st August 2022 in order to formally request our allocation and set out how it is to be spent.

Background

3. It is intended that the UKSPF will form a central pillar of the UK Government's Levelling Up agenda and a significant component of its support for places across the UK. It forms part of a suite of complementary levelling up funding including the Town's Fund and Levelling Up Fund, and is in itself significant as the programme which will replace the EU structural funds, which will come to an end in the UK by the end of 2023.
4. UKSPF will provide £2.6 billion of new funding for local investment by March 2025 and all places across the UK will receive a conditional allocation from the UKSPF.
5. To access their allocation, each place (eg Council area) will be asked to set out measurable outcomes that reflect local needs and opportunities. These should inform the interventions they wish to deliver. Places will be able to choose from investment across three investment priorities of communities and place, supporting local business and people and skills.
6. The funding is directed at three themes those of:
 - Community and Places
 - Supporting Local Businesses
 - People and Skills
7. Funding has been allocated to local authorities and there is a separate funding element for a multiplier that education authorities will complete, aimed at direct education provision. The funding is mainly revenue but there is a small element of capital. Councils can also recoup up to 4% of the allocation to support the administration of the fund.
8. Each council will have flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The Government have set out in their framework the required content for these areas.
9. The priorities should reflect local need and opportunity and be based on producing a sound evidence base illustrating what the issues are in an area and then allocating funds according to the identified needs. It is intended that plans should build on existing national

provision to create the optimal mix of support for each place. This flexible approach represents a key shift from the previous EU system.

10. These interventions will be set out in an Investment Plan submitted to the UK government for approval.
11. Officers are at present considering the interventions and beginning discussions on governance arrangements (as required by the prospectus) so that an Investment Plan can be formed for Pendle. This investment plan is to be submitted to Government by 1st August 2022.

Funding allocation

12. The UKSPF allocation for Pendle is £3,626,135 split as follows over a three year period:

	22-23	23-24	24-25	Total
Pendle	£440,065	£880,130	£2,305,940	£3,626,135

13. This information we have is that any funding not spent in year will be taken back by Government so there is a need to ensure programmes are deliverable in year.
14. The local split of capital and revenue for the fund in England is as follows:

Year	Core UKSPF: revenue	Core UKSPF: Capital	Local Multiply: revenue*
2022-23	90%	10%	100%
2023-24	87%	13%	100%
2024-25	80%	20%	100%

Preparing the Investment Plan

15. £20,000 will be made available per lead local authority to prepare their Investment Plan. In order to assist with this specialist consultants will be engaged to help produce the plan utilising the revenue support grant offered.
16. The prospectus indicates that a Local Partnership Group ("PG") should be set up to look at the investment priorities. Membership of that is left to each Council to consider, but the prospectus requires that MP are part of that the arrangements. Unlike Levelling Up bids, MPs are not required to sign off the Investment Plan.
17. Membership of the PG should, amongst others, include representatives from industry, education, European Investment Funders, the MP, local service providers and community groups.
18. Officers will consult the Local Partnership Group, to ensure we are accessing local insight and expertise in identifying and addressing needs and opportunities for the funding.
19. There is already a lot of activity across Lancashire in starting to look at what the funding could be used to support across the three strands. Although the Investment Plan need only be strategic and does not have to put a full funding package together, there is a very short time to pull it together and submit it so we need to progress it as swiftly as possible.

IMPLICATIONS

Policy: None arising directly from this report

Financial: The procurement of consultants will be financed by the fund made available to support the investment plan development. That fund is only received once the investment plan is approved.

Under Contract Procedure Rule 18.7 the Corporate Director has approved the engagement of the consultants without a formal tendering exercise in view of the short time available and their previous involvement in similar work for the Council.

Legal: None arising directly from this report

Risk Management: The risks are that of not producing the investment plan in time which would result in a significant loss of funding for Pendle. The year three funding is particularly important for skills when the European funds cease. The financial risk is set out in the Financial section above.

Health and Safety: None arising directly from this report

Sustainability: None arising directly from this report

Community Safety: None arising directly from this report

Equality and Diversity: None arising directly from this report

LIST OF BACKGROUND PAPERS:

Shared Prosperity Fund Prospectus: <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#who-should-be-involved-in-the-fund>