

REPORT FROM: HEAD OF ECONOMIC GROWTH

TO: EXECUTIVE

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**UK SHARED PROSPERITY FUND (UKSPF)
PEOPLE AND SKILLS AND BUSINESS GRANTS**

PURPOSE OF REPORT

1. To seek a decision from the Executive on the allocation of UKSPF funding to the People and Skills Interventions E33, E34 and E35 in Year 3 of the programme (2024-2025).
2. To seek a decision from the Executive on the allocation of UKSPF funding to the People and Skills Intervention E37 in Year 3 of the programme (2024-2025).
3. To seek a decision from the Executive on reallocation of the capital allocation within E37 to E1 (public realm).
4. To seek approval for a scheme of grant funding for businesses to be undertaken as per the requirements of the E19 Intervention and the funding allocated within it.

RECOMMENDATIONS

- (1) That the funding within the UKSPF programme for E33, E34 and E35 is allocated to projects by Active Lancashire and Newground Together.
- (2) That the funding within the UKSPF programme for E37 is allocated to a project by the University of Central Lancashire (UCLan).
- (3) That the capital allocation of E37 is moved into Intervention E1 in order to benefit the public realm schemes.
- (4) To give approval for a business grant scheme to be delivered by PBC which would meet the requirements of the E19 Intervention and for delegated authority to be granted to the Director of Place, in consultation with the Leader of the Council, in adjusting the grant intervention level and grant amounts, as required to incentivise applications to come forwards and achieve spend of funds within required timescales.

REASON FOR RECOMMENDATIONS

In order to ensure that the UKSPF funding in these Interventions is fully utilised and the programme is able to continue in its delivery for Pendle.

Background

1. The UKSPF programme is a three year funding programme for £3.6m intended to deliver on a wide range of projects across the three themes of Community & Place, Supporting Local Business and People and Skills.
2. The funding was allocated across series of interventions focused on delivering improvements across the Pendle Borough, which address the most prevalent issues in the area, including improvements to town centres, arts and culture, volunteering, energy efficiency advice for residents, business support, employability support, and skills development.
3. Interventions were outlined in the Investment Plan was submitted to and approved by Government in Autumn 2022.

People & Skills

4. Funding for the People and Skills theme in the final year of the programme, 2024-2025 (Year 3) has not yet been allocated to projects. This report seeks a decision for those allocations.
5. Funds allocated to the People and Skills interventions within the Pendle Investment Plan are as follows:

UKSPF Investment Plan allocations less Council Management and Administration charge of 4%	
	2024/25 £
E33 Revenue	412,945
E34 Revenue	158,215
E35 Revenue	48,391
E37 Revenue	54,528
E37 Capital	16,267

6. Interventions E33, E34 and E35 are concerned with support to individuals not in work. E37 is focussed on skills support to individuals in-work.

Selection of E33, E34 and E35

7. A selection analysis and report has been completed by the UKSPF Lead for Pendle which has identified proposals from Newground Together and Active Lancashire, as the most suitable projects to meet the requirements of these interventions.
8. The proposal from Newground Together would add a skills element to the Greener Together Pendle project which is already being delivered through UKSPF. This would complement the Investment plan well.

9. The Active Lancashire Move Forward proposal would allow for a continuation of the project, which commenced in Year 2 of UKSPF under Intervention E33, but allow it to expand by supporting individuals through E34 and E35 also.
10. The Executive is asked to recommend that the funds for E33, E34 and E35 within Year 3 (2024/25) of the UKSPF programme for Pendle are allocated to Newground Together and Active Lancashire, as the most suitable projects able to deliver our needs.

UKSPF Funds available for 2024/25		Funding Request	
		Active Lancashire – Step Change	Newground Together – Greener Together Pendle
E33		Recommendation	Recommendation
Year 3 Revenue £	412,945	274,014	138,931
E34			
Year 3 Revenue £	158,215	113,539	44,675
E35			
Year 3 Revenue £	48,391	33,116	15,275

Note: For this report figures have been rounded to the nearest pound

Selection of E37

11. The UKSPF Lead for the Council is currently in discussions with the University of Central Lancashire to put together a programme of support which meets the requirements of E37. This would involve the delivery of Leadership and Management training to those in employment in Pendle and would likely focus on key employment sectors for Pendle.
12. Leadership and Management is one of the skills needs for businesses within Pendle, identified by the Lancashire Skills and Employment Hub.
13. The university are already an experienced provider of funded leadership and management skills to businesses. Fund allocation to this project would align with the established sectoral support to businesses in Pendle, including Town Deal support to the manufacturing sector and Boost Lancashire support to enterprises with high growth potential.
14. The University's proposal formed part of the original competitive process for Pendle's UK Shared Prosperity Fund and was the most suitable provider following selection analysis by the UKSPF Lead for Pendle. The university is highly experienced and competent and would meet the needs of the Pendle UKSPF programme.
15. The Executive are asked to approve the allocation of E37 revenue funds of £54,528, (see table at section 5) to the University of Central Lancashire.

Reallocation of Capital element of E37

16. As shown in the table at section 5 of this report. A £16,267 Capital allocation is available for E37. Due to nature of the support provided under E37, the capital allocation is not required and therefore this would be better utilised in another Intervention.
17. The Executive are asked to approve the transfer of this capital sum within the Investment Plan, from intervention E37, into E1, which would benefit the proposed public realm schemes. This would not constitute a material change to the overall programme and as such no further approval for this change would be required from government.

18. This additional capital funding will could benefit one of the public realm schemes where anticipated match funding has not materialised.
19. The Executive is asked that the determination for the public realm scheme or schemes this capital funding should be allocated to, should be agreed by the Director of Place, in consultation with the Leader and Deputy Leader of the Council.

Supporting Local Business

20. The remaining funding allocation within this theme is for the Intervention E19: which is focused on research and development, innovation and collaboration between the businesses at the local level.
21. The Intervention forms part of the Investment Plan and it has already been agreed that a business grant scheme will be required. This will form part of the Year 3 (2024/25) allocation of the UKSPF funds/
22. The original allocation of available project spend has been reduced from £198,150 to £180,067. The reason for this is at the end of Year 1 of the UKSPF programme, government have clarified that the 4% of the total UKSPF fund available to lead local authorities for the management and administration of the programme, must be taken from Revenue and not Capital. This has resulted in the UKSPF budget being adjusted to take account of this.
23. The individual impact of this for E19 will be very small resulting in a £1,800 reduction of the grant available per recipient. It will not impact on the Outputs or the Outcomes, which will be met as a result of grants being given for projects meeting the criteria, not as a result of the grant value.
24. The adjustment was not taken from the People & Skills Interventions as the skills theme already has fewer overall funds allocated to it, at only 20% of the total programme. Reducing its funding further could have a detrimental impact on its ability to deliver for Pendle and the Investment Plan.

Scheme parameters

25. The grant scheme criteria was designed to provide financial support to businesses in line with the requirements for the Intervention.
26. The type of activities the grant will be developed to ensure they are in line with the intervention requirements and will meet required outcomes.
27. In summary it is proposed that
 - A grant scheme whose eligible area is the whole borough of Pendle
 - All business sectors to be eligible
 - All sizes of business to be eligible, including Large businesses
 - For the purpose of achieving the scheme Outcomes, the grant programme will mainly support established businesses, but where new enterprises are able to be

supported, and can demonstrate an ability to meet the outcome of a new to market product, this will be permitted.

- The grant programme will not support lifestyle businesses, such as those with low growth ambitions and no job creation prospects.
- Grant funding to at least 10 businesses (the required number)
- Grants offered on a 60/40 ratio, meaning the grant would account for 60% of the eligible project costs and the business would contribute 40%.

The grant ratio maybe increased in case of low demand at any point in the programme and in order to encourage more businesses to apply before the programme expires.

- up to £18,000, available funding for projects with the E19 Intervention with a minimum of 10 grants awarded.

It is anticipated that not every grant may be for the maximum value. In the event of an underspend within the programme it is proposed to allow discretion of the Grant Manager, in consultation with the Head of Economic Growth to award a larger sum to some projects with higher costs, or to fund additional applications with the remaining balance of funds, were this to be feasible within the available budget of the scheme and timescales remaining.

- The funding allocated to E19 in the Investment Plan is Revenue. UKSPF allows revenue to be used for revenue or capital expenditure, in line with the Lead Local Authority's accounting practices. PBC's accounting practices align with this.

As such Capital or Revenue costs which meet the requirements of the scheme and are able to deliver against the outputs and outcomes will be considered for this grant

- The grant programme would support investments in innovation and the development of new ideas or investment (adoption) in new to the firm technologies, as well as increased productivity.

28. The Executive is asked to give agreement to a programme of grant funding to be managed in-house by PBC based on the parameters described.

IMPLICATIONS

Policy: None arising directly from this report

Financial: UKSPF funding is subject to receipt of the funds from UK Government in each annual year of the programme and spend of these same funds within the same financial year (April to March).

Legal: Grant Funding Agreements are entered into with providers of services funded through UKSPF. There are no issues arising directly from this report.

Risk Management: All UKSPF funds must be spent in year or lost. It is imperative that due to timescales, any selected projects are progressed with.

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:

None. Project Selection Reports for: UKSPF E33, E34, E35, E37 and UKSPF E19 are available upon request