

# **CABINET MEETING**

## **31<sup>ST</sup> OCTOBER 2022**

### **Update on the UK Shared Prosperity Fund (UKSPF)**

#### **Purpose**

To provide an update on the UK Shared Prosperity Fund (UKSPF) and to endorse steps taken to date, and proposed, to ensure that the County benefits from this new investment programme.

#### **Progress to date**

Since the report to Cabinet in July this year, which set out the general principles of the UKSPF, a great deal of progress has been made in preparing for this new investment programme.

The Regional Investment Plan which was prepared by the four local authorities in South West Wales was submitted to the Department for Levelling Up, Housing and Communities (DLUHC) by Swansea Council on behalf of the region by the deadline of 1<sup>st</sup> August 2022. Positive feedback was received from civil servants prior to submission. UK Government approval is awaited, with anticipated approval by the end of November 2022. We cannot, however, rule out the possibility of policy changes introduced by UK Government at this moment in time.

Once approval of the Regional Investment Plan is granted, we anticipate that Swansea Council, as the lead authority, will enter into a funding agreement with UK Government which will enable the region to unlock the funding. Subsequently an agreement will be put in place between Swansea Council and this Authority.

#### **Implementation**

Since the submission of the Regional Investment Plan, work has been progressing on the implementation of the plan on a regional basis to provide commonality, as far as possible, and to ensure that we achieve a rapid start so that allocations are fully taken up each year.

Despite the programme being structured around a regional plan, with a Regional Lead, implementation will be devolved to the local level.

The following modes of delivery are proposed:

- Anchor projects
- Standalone projects
- Commissioned projects

These are explained in more detail below.

**Anchor Projects.** These will be thematic projects that will manage major parts of the investment strategy primarily by offering third-party grants to organisations. Third party grants will provide organisations the opportunity to deliver projects that address challenges for Carmarthenshire as identified within the Investment Plan. The following grant schemes are expected to be delivered:

- Grants to public sector, voluntary and community groups including town and community councils
- Grants to businesses to improve productivity and growth

Anchor projects will be managed by the Local Authority but co-ordinated through local partnership structures. Anchor projects will be required to report to local Partnerships within each Local Authority as appropriate. In Carmarthenshire, the Regeneration Partnership, which includes representation from Public Service Board, University of Wales Trinity Saint David, Carmarthenshire Association of Voluntary Services, Antur Cymru, Grwp Cefn Gwlad amongst others, has been established to provide that input and oversight.

Anchor projects will not necessarily be the same across the whole region and it will be for each local area to determine which anchor projects are most appropriate for them.

Within Carmarthenshire, the following Anchor projects have been identified which are similar to those identified in other parts of the South West Wales region:

- Communities
- Rural
- Supporting Business
- Place
- People and Skills

Annex 1 sets out the scope of delivery for each of the proposed Anchor projects.

Anchor projects will need to demonstrate how they add value to other funding programmes and investments in the area including National Employment support programmes, existing adult skills provision, Welsh Government business support programmes etc

It is envisaged that the Anchor projects will be sufficiently staffed to project manage grant scheme delivery. A further report will be presented to Cabinet by the end of the year with further detail in relation to the Anchor projects.

### **Standalone projects.**

There will be challenges identified in the Investment Plan that are not covered by the anchor teams. It is anticipated that these will be addressed by opening calls for standalone projects. These will be invited by competitive bidding rounds to fill clear gaps in strategy delivery that are not being met by the anchor projects. This is to ensure that we are fulfilling the needs of our Local Investment Plan.



For example, within the Communities and Place theme it is likely that there will be a need for large standalone projects looking at volunteering and social enterprise support.

**Commissioned projects.** These will be specified and procured to deliver precisely defined activity that is not being fulfilled by the delivery modes detailed above. This is to ensure that we are fulfilling the needs of our Local Investment Plan.

### **Governance and local decision making**

As reported to Cabinet on the 25<sup>th</sup> July 2022, it has been agreed that Swansea Council will act as the lead Authority on behalf of the South West region. This was formally adopted by Swansea Council in September 2022.

Whilst Swansea Council will serve as the Lead Local Authority for the administration of UKSPF, decision making will predominantly sit at a local level, with each Local Authority adhering to their own constitutional arrangements and protocols.

In line with the modes of delivery, we are currently working up assessment criteria, application forms and decision making processes. These will be subject of a further Cabinet report before the end of the year.

As previously reported, UK government is keen to involve local partners including local businesses, public and third sectors in the assessment process. In Carmarthenshire, we have established a Regeneration Partnership which has been involved in the development of the Local Investment Plan and more recently has been consulted on the proposed delivery modes for the UKSPF, which have been supported by the Partnership.

### **Project Development**

Since the Regional Investment Plan was submitted at the end of July 2022, officers from the four Local Authorities have been meeting on a weekly basis to work up the detail in relation to the proposed modes of delivery.

To ensure that wider stakeholders are involved in the development of the Anchor projects, as well as the standalone projects, thematic sub-groups of the Carmarthenshire Regeneration Partnership have been established around the three strategic areas of the Shared Prosperity Fund, namely:

- Communities and Place
- Supporting Business
- People and Skills

The role of the sub groups is to

- Provide expert advice and input into the design of the Anchor projects including establishment of criteria for grant schemes; timing and frequency of application deadlines; consideration of funding to be allocated; programme indicators etc
- Assist the Anchor teams in ensuring that SPF activity adds value to other regional, national initiatives e.g. Welsh Government Business Support programmes etc

- Input into the type and frequency of strategic calls for applications including level of funding to be allocated
- Form part of the assessment process for standalone projects
- Monitor progress of all activity within the respective theme and advise on any changes required to delivery

## **Management of the UKSPF in Carmarthenshire**

UK SPF provides for circa 4% of resources to be used to fund administrative support for the programme. However, it is worth noting that the Lead Local Authority (Swansea Council) will need additional capacity to resource its regional management function.

The majority of the 4% administrative budget will be used to provide capacity within local management teams. These teams will need to:

- Organise competitive bidding rounds for standalone projects
- Commission projects as necessary.
- Carry out programme management functions to include:
  - Collation of financial and non-financial returns to Swansea Council for DLUHC.
  - Preparation of progress reports for Swansea Council and DLUHC.
  - Preparation of reports for local partnerships and Regional Directors
  - Performance management and change control.
  - Commissioning of regional and local level evaluations and contract management.
  - Management of branding and publicity issues.
  - Subsidy control.
  - Assurance of propriety, regularity, and value for money of expenditure.
  - Liaison with DLUHC regarding possible audit.
- Prepare Annual Reports on UK SPF to Cabinet within each LA.

The amount of funding that the Carmarthenshire Programme Management Team will receive as part of the administrative budget has yet to be determined.

Work is currently underway to identify the resource required to deliver the Programme management function in Carmarthenshire. To ensure a timely start to the programme, we anticipate that the recruitment of these roles will commence as soon as approval is granted by UK Government.

## **Conclusion**

A great deal of progress has been made since the Regional Investment Plan was submitted to UK Government earlier this year. Whilst we are still awaiting formal approval from UK Government, work is on-going to ensure that the necessary arrangements are in place and that delivery can start once UK Government approval is granted.