

# Scrutiny Committee

Date: 15/11/2023

**Subject: Shared Prosperity Fund Update**

**Purpose:** To provide an update to Scrutiny Committee on the delivery of the UK Shared Prosperity Fund in Carmarthenshire

## THE SCRUTINY COMMITTEE IS ASKED TO:-

Review and scrutinise the information contained in the report in relation to the Levelling Up funding that Carmarthenshire has been awarded and the delivery of the UK Shared Prosperity Fund in Carmarthenshire

## Reason

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's Levelling Up agenda. An allocation of funding of £38.6m has been confirmed for Carmarthenshire which will enable us to deliver against some of the County's strategic objectives.

**CABINET MEMBER PORTFOLIO HOLDER:- Councillor Hazel Evans, Cabinet Member for Regeneration, Leisure, Culture and Tourism**

**Directorate:** Chief Executives

### Name of Head of Service:

Jason Jones

### Report Author:

Helen Morgan

### Designations:

Head of Regeneration

Economic Development Manager

[JaJones@carmarthenshire.gov.uk](mailto:JaJones@carmarthenshire.gov.uk)

01267 242336

[HLMorgan@carmarthenshire.gov.uk](mailto:HLMorgan@carmarthenshire.gov.uk)

01267 224902

**EXECUTIVE SUMMARY**  
**MEETING: Scrutiny Committee**  
**DATE: 15/11/2023**

**Subject: UK SPF Update**

**1. BRIEF SUMMARY OF PURPOSE OF REPORT.**

**UK SPF**

**Purpose:**

To provide Scrutiny Committee with an update on the progress of UK SPF in Carmarthenshire.

**Background:**

The UK Shared Prosperity Fund (UKSPF) forms part of a suite of complementary levelling up funding. Following the approval of our Regional Investment Plan in December 2022, Carmarthenshire's £38.6m allocation of the Shared Prosperity Fund was unlocked. In order to meet the tight deadlines of the fund which UK Government has set at 31<sup>st</sup> March 2025, the development of SPF in Carmarthenshire has progressed at pace. Since its launch on the 6<sup>th</sup> March, a total of £19.68m Anchor and Strategic projects have been approved and a further £5.5m for the adult numeracy programme Multiply, bringing the current total to £25.18m.

**Governance and Local Decision Making**

Swansea Council is acting as the lead Authority on behalf of the South West region with decision making sat a local level, with each Local Authority adhering to their own constitutional arrangements and protocols.

In Carmarthenshire, a Regeneration Partnership was established in June 2022, its purpose being to act as the strategic partnership to support economic recovery and growth in Carmarthenshire. The Partnership has been involved at all stages of UK SPF delivery in Carmarthenshire to date.

The following modes of delivery for UK SPF have been agreed in Carmarthenshire

- Anchor projects
- Standalone projects
- Commissioned projects

A flow chart documenting the stages in the approval of the Anchor and Standalone projects in Carmarthenshire can be seen at Appendix 1.

**Programme Management Team**

UKSPF provides for circa 4% of the allocation to be used to fund administrative support for the programme. The Programme Management Team in Carmarthenshire has been recruited and is fully staffed.

**Implementation & Delivery**

5 Anchor programmes have been approved and are delivering in Carmarthenshire as follows:

1. Sustainable Communities Programme
2. Rural Programme
3. Developing Place
4. Supporting Local Business
5. People & Skills

Appendix 2 details the third party grants approved to date within the Anchor Programmes.

Appendix 3 details the Standalone Strategic projects that have been approved.

**Financial Claiming and Monitoring**

The first financial and indicator claim was submitted to Swansea Council as Lead Local Authority by the October 12<sup>th</sup> deadline.

**DETAILED REPORT ATTACHED ?****YES**  
Detailed Report and Appendix 1, 2 & 3

## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Jason Jones

Head of Regeneration

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NONE</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>

### 1. Policy, Crime & Disorder and Equalities

The UK SPF provides an opportunity to draw down additional investment which will help deliver against some of the County's key strategic objectives.

In order to draw down the funding, a Regional Investment Plan was submitted to UK Government setting out how the Region intends to utilise the funding based on local needs and opportunities. A Carmarthenshire Investment Plan was developed which fed into the Regional Plan.

The Investment Plan for Carmarthenshire is based on our existing strategies and plans including the Economic Recovery Plan, Local Innovation Strategy, Wellbeing Assessment, and the South West Wales Regional Economic Delivery Plan. The Carmarthenshire Plan is aligned to the 7 Well-being goals of the Well-being of Future Generations Act.

### 2. Legal

Local government is being given responsibility for delivery of the UK SPF. Swansea Council will act as the 'lead local authority' for the South West region and will have overall accountability for the funding and how the Fund operates.

Delivery and management of the programme in Carmarthenshire will be the responsibility of the Authority. This will include assessing and approving local project applications, entering into funding agreements with third parties as well as processing payments and day-to-day monitoring.

Appropriate agreements have been put in place between the Regional lead and the Authority which set out agreed roles and responsibilities.

At a project delivery level, the Authority will enter into a funding agreement with all delivery partners. These have been developed in conjunction with the Authority's legal team at the appropriate time.

## 2. Finance

**Whilst Swansea Council will act as the accountable body for the region and receive the Region's allocation via UK Government, delivery and management of Carmarthenshire's allocation will remain the responsibility of the Authority with Chris Moore as Senior Responsible Officer.**

A dedicated Programme Management Team has been established at a County level to undertake the necessary fund administration. Grant management processes and procedures have been established to ensure that the funding is managed in accordance with the fund requirements. This has involved the establishment of funding agreements with third parties as well as the establishment of procedures for processing payments, monitoring of financial spend, audit requirements etc.

The working budgets for the UK SPF Themes in Carmarthenshire are detailed in the full report, these however, may change as the programme progresses, flexibility will be needed so that virements made within and amongst themes can be made in order to deliver the requirements of the Local Investment Plan. These adjustments will be decided with input from the Senior Responsible Officer and the Regeneration Partnership with Cabinet being kept fully informed.

## 5. Risk Management Issues

A programme level risk management process is being developed to ensure that risk is assessed and managed at all levels.

## 7. Staffing Implications

To manage the UKSPF at a local level, a dedicated Programme Management has been established to ensure that the necessary processes and procedures are put in place to administer the UKSPF. This team sits within Economic Development.

The UKSPF provides for circa 4% of resources to be used to fund administrative support for the programme.

**CABINET MEMBER PORTFOLIO  
HOLDER(S) AWARE/CONSULTED**  
YES

**Section 100D Local Government Act, 1972 – Access to Information  
List of Background Papers used in the preparation of this report:**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
UK Government's Shared Prosperity Fund: Overview Guidance (March 2023)		UK Government's website

# Main Report

## Background

The UK Shared Prosperity Fund (UKSPF) forms part of a suite of complementary levelling up funding. It builds on the competitive Levelling Up Fund and Community Ownership Fund through long term, stable funding, allocated to all places. Its mix of revenue and capital funding can be used to support a wide range of interventions to build pride in place and improve life chances. These can complement Levelling Up Fund capital projects, strategic Freeport investments or community-level Community Ownership Fund projects, as well as existing employment and skills provision.

Following the approval of our Regional Investment Plan in December 2022, Carmarthenshire's £38m allocation of the Shared Prosperity Fund was unlocked. Our allocation was split into £32m of Core funding to support the 3 SPF priorities of Community & Place, Supporting Local Business and People & Skills, with £6m of funding for the Multiply programme, which is intended to deliver the Government's priority of improving adult functional numeracy.

In order to meet the tight deadlines of the fund which UK Government has set at 31<sup>st</sup> March 2025 the development of the UK SPF in Carmarthenshire has progressed at pace. Since its launch on the 6<sup>th</sup> March, a total of £19.68m Anchor and Strategic projects have been approved and a further £5.5m for the adult numeracy programme Multiply, bringing the current total to £25.18m.

## 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 UK SPF, decision making will predominantly sit at a local level, with each Local Authority adhering to their own constitutional arrangements and protocols.

In Carmarthenshire, a Regeneration Partnership was established in June 2022, its purpose being to act as the strategic partnership to support economic recovery and growth in Carmarthenshire. Part of the Partnerships function is to act as the Local Project Board for the UK SPF. UK government is keen to involve local partners including local businesses, public and third sectors in the delivery of UK SPF.

To assist in the assessment of UK SPF applications, 3 thematic sub-groups of the Regeneration Partnership have been established for each of the UK SPF themes; Communities and Place, Supporting Local Business and People and Skills. Assessments of all Strategic projects are presented to the relevant thematic group for discussion and recommendation. The recommendations are then presented to Regeneration Partnership for endorsement and final recommendation to Cabinet. The Partnership has been involved at all stages of UK SPF delivery in Carmarthenshire to date, from the development of the Local Investment Plan, the delivery modes for the UK SPF, assessment of project applications and in decisions involving budget virements.

A Regional SPF Working Group was set up early in 2022 with officers from the four Local Authorities meeting on a weekly basis. The group developed the Regional Investment Plan, which was submitted to UK Government in August 2022. The Plan was an amalgamation of the Local Investment Plans from each of the Region's LAs. Following approval of the Plan, the group developed the detail for delivery of UK SPF across the Region. The following modes of delivery were proposed:

- Anchor projects
- Standalone projects
- Commissioned projects

These modes of delivery for Carmarthenshire were agreed at Cabinet in October 2022 and are explained in more detail in the delivery section below.

The working budgets for the UK SPF themes in Carmarthenshire are as detailed below, these however, may change as the programme progresses and flexibility will be needed so that virements made within and amongst themes can be made in order to deliver the requirements of the Investment Plan. These adjustments will be

decided with input from the Senior Responsible officer and the Regeneration Partnership with the Cabinet being kept fully informed.

<b>UK SPF Theme</b>	<b>Working Budget</b>
Community & Place	£10,240,933.76
Supporting Local Businesses	£10,240,933.76
People & Skills	£10,240,933.76
Multiply	£6,413,012

The regional UK SPF working group produced an application form and assessment criteria for the Anchor and Standalone projects. The Regeneration Partnership and thematic sub-groups were consulted during the development of these documents.

A flow chart documenting the stages in the approval of the Anchor and Standalone projects in Carmarthenshire can be seen at Appendix 1.

The application process for the Third Party Grants within the Anchor programmes is determined by the Anchor teams themselves with input from the thematic sub groups of the Regeneration Partnership, and application forms tailored to the individual grant schemes. The assessment process for these grants is being managed by the Anchor teams. Following assessment, final approval for these grants with a value up to £100k are undertaken by Cabinet Member for Regeneration, Leisure, Culture and Tourism. Both Cabinet and Regeneration Partnership are kept fully informed of approvals through regular reports. Third Party Grants in excess of £100k are taken to Cabinet for approval.

Standalone projects of all values go to full cabinet for approval.

### **Programme Management Team**

UKSPF provides for circa 4% of the allocation to be used to fund administrative support for the programme. The majority of this funding in Carmarthenshire is being used to provide staff capacity to deliver the funding. Swansea Council, as the Lead Local Authority for the Region, will need additional capacity to resource its regional management function alongside its local team and as such a financial contribution from each of the other LAs in the region to fund this is also being covered by the 4% administrative allocation. The SPF Programme Management Team in Carmarthenshire has now been recruited and is fully staffed. One of its main task is the continuous monitoring and evaluation of the levels of SPF spend and the fulfilment of its outputs and outcomes.

### **Implementation & Delivery**

Despite the programme being structured around a regional plan, with a regional lead, implementation is devolved to the local level. The following modes of delivery for UK SPF have been agreed across the Region:

- Anchor programmes
- Standalone projects
- Commissioned projects

#### **A. Anchor Programmes.**

It was imperative whilst developing the delivery model for UK SPF in the Region, that there was a mechanism whereby local organisations and businesses could access and benefit from the funding as quickly and seamlessly as possible. With this in mind the concept of anchor programmes was developed. Anchors are thematic programmes that will manage major parts of the investment strategy primarily by offering third-party grants to organisations.

The third party grants will provide organisations and businesses the opportunity to deliver projects that address challenges for Carmarthenshire as identified within the Investment Plan. Anchor programmes are managed by the Local Authority but co-ordinated through local partnership structures. In Carmarthenshire, the Regeneration Partnership provides input and oversight to the Anchor programmes.

As reported previously, 5 Anchor programmes have been approved and are delivering in Carmarthenshire as follows:

1. Sustainable Communities Programme
2. Rural Programme
3. Developing Place
4. Supporting Local Business
5. People & Skills

## **1. Sustainable Communities Programme**

A total of 35 organisations across Carmarthenshire have been successful in gaining funding from the Sustainable Communities Fund, which has been created to provide the necessary support to help strengthen the social fabric of communities, building pride in place whilst also delivering direct and/or indirect economic benefit.

The successful applicants have been awarded grants that range from £10k to £250k to focus on themes which have been identified as a priority within the County's Strategic Investment Plan; these include Tackling poverty, Circular Economy, Wellbeing / Leisure, Access to Services, Environment and Green, Tourism, Culture / Heritage and Community Engagement.

The third call for applications for this fund has recently closed, the applications are currently progressing through a detailed assessment process. It is anticipated that a fourth call for applications will open very soon.

## **2. Rural Programme**

There are 3 strands delivering within the Rural Programme, the Rural Innovation Fund, Hwb Fach Y Wlad and the Ten Towns Initiative.

The Rural Innovation Fund is designed to get local people, businesses and communities involved in delivering sustainable solutions to address challenges facing rural areas. 9 organisations have gained funding from this fund to date. The third call for applications under this Fund has recently closed with the applications most recent call currently going through the assessment process. It is anticipated that a further call for applications will open very soon.

Carmarthenshire County Council has extended its range of support and advice available in rural communities across the county with the introduction of Hwb Bach y Wlad. The new customer service model will make it easier for residents in more rural areas to access a range of services already delivered by the Council online, on the phone and in the county's three customer service Hwbs in Llanelli, Carmarthen and Ammanford.

Hwb Bach y Wlad extends this service even further and provides help and advice for everyone, with support tailored to advise on a range of individual circumstances.

The Council's Hwb Advisors will offer targeted support in Kidwelly, Llandeilo, Llandovery, Crosshands, Cwmaman, Laugharne, St Clears, Whitland, Newcastle Emlyn and Llanybydder through a regular schedule.

Carmarthenshire County Council's Ten Towns initiative has been set up to support the economic recovery and growth of rural towns across the county. Through UK SPF has enabled further development of the Ten Towns initiative, providing financial support to help realise some of the key recommendations identified in the town's economic growth plans. This element will be delivered via a third party grant together with a team of market town officers that will work with the communities to develop their aspirations for the respect areas.

## **3. Developing Place Programme**

There are 3 strands to the Developing Place Programme; Events Fund, Vacant Property Fund and Tackling Town Centres Direct Delivery.

The purpose of the Events Fund is to increase the number of visitor numbers to the town centres. The Developing Place delivery team work with the Business Improvement Districts and Town Councils within the primary town

centres and funding is available to support events, enhance the existing calendar of events and pilot new events within Ammanford, Carmarthen and Llanelli. 8 events have been supported by the Events Fund to date.

As part of the Developing Place Programme, we are seeking to unlock as many vacant properties within the primary town centres as possible. The Vacant Property Fund is currently open and provides funding to successful applicants to help facilitate works to bring the properties back into use.

The Tackling Town Centres delivery strand will support the delivery of key actions identified within our integrated regeneration masterplans for Carmarthen, Llanelli and Ammanford and town plans of the secondary towns providing support to shift towards more diverse town centres through small necessary interventions which have been highlighted at a local level.

#### **4. Supporting Local Business**

There are 4 strands of delivery within the Supporting Local Business Programme: Business Start-up and Growth grants; Business Renewable Energy Fund, Property Development Fund and Sir Gar Business Engagement.

The Business Start-up and Growth Grants ranging from £1k to £10k are being delivered as part of our ongoing commitment to supporting economic development and businesses throughout these challenging times. The aim of the grant intervention is to strengthen local entrepreneurial ecosystems and to support businesses at all stages of their development to start, sustain, grow, and innovate, including through local networks. A total of 15 start up grants and 46 growth grants have been offered local businesses to date totalling over £360K. This is a rolling programme and will remain open as long as funding is available.

The aim of the Business Renewable Energy Fund is to support local businesses to be sustainable during these challenging times, to provide assistance for them to grow and prosper whilst helping them on their net zero carbon journey. Grants between £1k and £25k are available towards the cost of a renewable energy system. A total of 8 organisations have been successful in gaining funding from this fund to date. This is a rolling programme and will remain open as long as funding is available.

The Carmarthenshire Commercial Property Development Fund can provide financial assistance for developers towards the construction of industrial and commercial buildings with the primary aim of creating capacity for employment in Carmarthenshire. The incentive on offer is aimed at stimulating the supply of high-quality business premises within Carmarthenshire by offering funding towards high quality industrial units or office accommodation. Applicants are currently being supported by the delivery team through the application process. Grants of up to £750k are available through this fund.

Sir Gar Business Engagement is delivered by a dedicated team of Business Support Officers that provide assistance to our local businesses to help them grow and create new employment opportunities.

#### **5. People & Skills**

The People and Skills Programme has 3 strands of delivery: the Skills and Employability Fund; Employability Support and Youth Support.

The Employability Fund provides targeted support to organisations who work with individuals furthest away from the labour market who have complex barriers that require specialist intervention. Grants of £10k to £25k were available, 5 organisations have been successful in gaining funding to date. The Skills Fund provides grants of between £10k to £250k with the aim to skill and upskill individuals in areas where our intelligence has demonstrated there will be job opportunities and where existing skills gaps exist. 6 projects have been successful in gaining funding from the Skills Fund

There is a dedicated team of officers delivering the Employability Support and Youth Support strands of this programme. They provide support to get people back into work, reducing barriers to get into work and supporting individuals with volunteering opportunities to gain experience in the workplace. Young people who are Not in Education or Training (NEET) or at risk of becoming NEET are supported through the Youth Support Strand.

Appendix 2 details the above-mentioned grants that have been approved to date.

In addition, the adult numeracy programme, Multiply, has also had an open call for projects. Two projects have been awarded funding as follows:

- Coleg Sir Gar has been awarded £5,301,560 to deliver 'Multiply 24' – a project delivered in partnership with Carmarthenshire County Council and Adult Learning Wales offering outreach and flexible learning for





adults with low numeracy skills. Multiply 24 will focus its support on hard to reach and/or rural communities and use Virtual Reality tools to recreate real life contexts to boost confidence levels. The aim is for programme participants to attain Level 2 Maths qualifications and to upskill our Carmarthenshire workforce in the process.

- Threshold DAS has been awarded £198,440 to deliver a project entitled 'No Bars to Multiply' which aims to empower people to adopt new skills vital to everyday life. The project will deliver a blended learning approach to numeracy and skills training for vulnerable members of the public particularly those from disadvantaged backgrounds, unemployed, socially inactive, offenders or at risk of offending, and help them to prepare to enter the workplace.

## **B. Standalone Projects**

There are challenges identified in the Investment Plan that are not covered by the Anchor Programmes. These have been addressed by opening calls for Strategic Standalone Projects invited through competitive bidding rounds to fill clear gaps in strategic delivery. The call for applications specified the themes that we were looking to cover through the Anchor Programmes. For the Open Call relating to Communities and Place and Supporting Local Business UKSPF Themes, we specifically asked for projects addressing the following themes:

- Projects which respond to the opportunities identified in the Local Innovation Strategy (LIS) – Digital, Health, Circular economy, and Foundational economy
- Volunteering support
- Social Enterprise support
- Local food models
- Active travel and rural transport
- Strategic Tourism / culture / heritage projects
- Strategic county wide Net Zero projects

For the People and Skills open call for strategic projects, we asked for applications to specifically focus on Care, Digital, Green, Hospitality/Catering themes. We also

Following a detailed assessment process 22 Standalone Strategic Projects have been approved in Carmarthenshire totalling over £14 million.

Appendix 3 details the approved Standalone Strategic projects.

## **C. Commissioned Projects**

This is the final mode of delivery for UK SPF. If it is found that the requirements of our Local Investment Plan are not being fully covered by the Anchor programmes and Standalone projects, there is the option to commission precisely defined activity.

## **Financial Claiming and Monitoring**

The first financial and indicator claim has been submitted to Swansea as Lead Local Authority by the October 12<sup>th</sup> deadline. This covers expenditure that our Anchor Programmes and Programme Management Team have incurred up until August 2023. Due to the tight timescales of the Fund, dedicated monitoring officers have been recruited within the Programme Management Team working closely with the project deliverers to ensure they are delivering to their agreed financial and indicator profiles, and if any issues are identified, mitigating actions can be put into place as soon as possible. Cabinet has approved flexibility within the working budgets to enable funding to be moved between different areas of the SPF Programme as the need arose. These adjustments are decided with input from the Senior Responsible Officer and the Regeneration Partnership with Cabinet being kept fully informed.

October 2023

