

**CABINET**  
**30<sup>TH</sup> JANUARY 2023**

**UPDATE ON THE UK SHARED PROSPERITY FUND (UKSPF)**

**Purpose:**

To provide an update on the continued preparatory work for the Shared Prosperity Fund and to endorse steps taken to date, and proposed, to ensure that the County benefits from this new investment Programme.

**Recommendations / key decisions required:**

- 1) Endorse steps taken to date and proposed to enable officers to continue their preparatory work for the delivery of the funding, i.e. setting up processes and procedures for delivery, and developing formal legal agreements as required.
- 2) To approve the proposed application and decision making process.
- 3) To approve flexibility in the working budgets so that refinements can be made in consultation with Finance and the Regeneration Partnership
- 4) To delegate authority to Cabinet Member for Regeneration, Leisure, Culture and Tourism to sign off the detailed Anchor projects following recommendation of the Regeneration Partnership
- 5) To proceed at risk with opening up calls for all applications prior to entering into a formal Service Level Agreement with Swansea Council
- 6) To delegate authority to Cabinet Member for Regeneration, Leisure, Culture and Tourism to approve projects up to £100k
- 7) To proceed at risk with the recruitment of staff for the internal Anchor teams and Programme Management team to enable the programme to commence as soon as possible

**Reasons:**

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. To unlock this funding, UK Government has to approve the South West Regional Investment Plan, which was submitted by the deadline of the 1<sup>st</sup> August 2022.

Cabinet Decision Required                      YES

Council Decision Required                      NO

**CABINET MEMBER PORTFOLIO HOLDER:-**

Cllr Gareth John, Cabinet Member for Regeneration, Leisure, Culture and Tourism

Name of Head of Service:	Designations:	Tel / Email addresses:
Jason Jones	Head of Regeneration	<a href="mailto:jajones@carmarthenshire.gov.uk">jajones@carmarthenshire.gov.uk</a>
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# EXECUTIVE SUMMARY

## UPDATE ON THE UK SHARED PROSPERITY FUND (UKSPF)

### 1 BRIEF SUMMARY OF PURPOSE OF REPORT.

#### Progress to date

Since the report to Cabinet on 31<sup>st</sup> October 2022 where the proposed Anchor projects and the steps taken to date were approved, work has continued at pace to put the processes and procedures required to deliver the funding.

The approval for the Regional Investment Plan was originally due at the end of October but was delayed until after the Autumn Statement on November 17<sup>th</sup>. In December, Swansea Council, as the lead Authority for the South West region, received formal agreement from UK Government which was accepted on the 23<sup>rd</sup> December. This means that the funding is now formally secured for the region.

Officers across the region are doing as much preparatory work as possible on legal agreements etc, so that delivery can commence as soon as practicable.

#### Anchor Projects and Standalone Projects

Following approval by Cabinet on the delivery model for implementation of the funds, much progress has been made in the development of the Anchor projects.

Once the detail of the Anchor projects has been fully approved, the teams will be in a position to open calls for the third party grants. Competitive bidding rounds will then be opened where organisations will be invited to fill these gaps in delivery by submitting applications for standalone projects. Flexibility will be needed so that budget virements within and amongst themes can be made in order to deliver the requirements of the Local Investment Plan.

#### Application and Approval Process

An application form and assessment criteria for the Anchor and Standalone projects can be seen in Annex 1 & 2. A guidance document to assist applicants is also being prepared by the Lead Local Authority and will be available shortly. The Regeneration Partnership and sub groups have been consulted during the development of these documents.

We have consulted with our colleagues in internal audit and developed a flow chart that documents the proposed stages in the approval of the Anchor and Standalone projects in Carmarthenshire. The flow chart can be seen in Annex 3.

#### Multiply

As part of its UK SPF allocation, Carmarthenshire has £6.68m budget for Multiply. This is the new adult numeracy programme. We are working with our colleagues in the Education department, Coleg Sir Gar and wider stakeholders on options to best deliver this programme through a partnership approach.

## 2. OTHER OPTIONS AVAILABLE AND THEIR PROS AND CONS

The UK Government has allocated funding over the next 3 years which will help address some of the challenges facing the County. With funding from EU programmes ending, the UKSPF presents an opportunity to draw down further investment into the County.

<b>DETAILED REPORT ATTACHED?</b>	YES  Detailed Report and Annex 1,2 and 3
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# 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:** \_\_\_\_\_ **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>NONE</b>

## 1. Policy, Crime & Disorder and Equalities

The Shared Prosperity Fund 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 UKSPF. 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 will be put in place between the Regional lead and the Authority which will set out agreed roles and responsibilities. Swansea Council as the Lead Authority is currently drafting a Service Level Agreement. Our Authority's legal team is being consulted on this.

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

## **1. 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 will be established at a County level to undertake the necessary fund administration. Grant management processes and procedures will be established to ensure that the funding is managed in accordance with the fund requirements. This will involve 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. These will be developed in conjunction with Corporate services.

The working budgets for the SPF Themes in Carmarthenshire are detailed in the full report, these however, may change as the programme commences and 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 will be developed to ensure that risk is assessed and managed at all levels.

Individual risk registers will be maintained at project level together with appropriate mitigation measures.

## **7. Staffing Implications**

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

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

Work has been progressing in drafting the staffing structure and associated job descriptions. It is proposed that the recruitment starts at risk, whilst the formal Service Level Agreement between Swansea Council and this Authority is finalised. The risk will be minimal as the allocation for Carmarthenshire has been approved by UK Government.

# CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jason Jones

Head of Regeneration

(Please specify the outcomes of consultations undertaken where they arise against the following headings)

<b>1. Scrutiny Committee request for pre-determination</b>	Yes
<b>Scrutiny Committee</b>	Homes, Community and Regeneration
<b>Date the report was considered:-</b>	26.01.23
<b>Scrutiny Committee Outcome/Recommendations:-</b>	
A verbal update will be provided at the Cabinet meeting being held on the 30.01.23	

## 2. Local Member(s)

Local Members were given an opportunity to feed into the original consultation on the development of the Local Investment Plan which provides the steer for the delivery of the UKSPF at a local level. The proposed modes of delivery identified take into account the priorities as outlines within the Investment Plan. Once the programme is formally approved local members will be informed of the opportunities available under SPF.

## 3. Community / Town Council

Town and community councils have also been given an opportunity to input the Local Investment Plan process. Once the programme is formally approved Community and Town Councils will be informed of the opportunities available under SPF.

## 4. Relevant Partners

Various stakeholders were given an opportunity to input into the development of the Local Investment Plan and to identify priorities for funding. In addition, the Carmarthenshire Regeneration Partnership has been established which includes representation from business, public and third sector to provide expertise and oversight into the UKSPF process at a local level. The Regeneration Partnership and thematic sub groups have been involved in discussions relating to the development of the Anchor Teams and have also been consulted on the application and assessment paperwork.

## 5. Staff Side Representatives and other Organisations

N/A

<b>CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED</b>  YES	<b>Include any observations here</b>
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**Section 100D Local Government Act, 1972 – Access to Information  
List of Background Papers used in the preparation of this report:**  
  
**THESE ARE DETAILED BELOW**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
UK Shared Prosperity Fund Prospectus		<a href="https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus">https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus</a>

# Update on the UK Shared Prosperity Fund (UKSPF)

## 1.0 Purpose

To provide an update on the preparatory work for the UK Shared Prosperity Fund and to endorse steps taken to date, and proposed, to ensure that the County benefits from this new investment programme. Within the October report it was documented that we would provide Cabinet with a further update on progress, specifically in relation to the Anchor projects and the application and decision making processes by the end of the year

## 2.0 Progress to date

Since the report to Cabinet on 31<sup>st</sup> October 2022 where the proposed Anchor projects and the steps taken to date were approved, work has continued at pace in developing the Anchor projects and putting processes and procedures in place to deliver the funding

Approval of the Regional Investment Plan was originally due at the end of October but was delayed until after the Autumn Statement on November 17<sup>th</sup>. UK Government issued a press statement in November advising that all investment plans have been approved. Subsequently, Swansea Council, as the lead Authority for the South West region, has received formal agreement from UK Government which was accepted on the 23<sup>rd</sup> December. This means that Carmarthenshire's funding allocation as well as that for the wider region has been formally secured.

Officers across the region continue to meet on a weekly basis in order to do as much preparatory work as possible so that delivery can commence as soon as practicable once formal UK Government approval is granted and the UK SPF regional working group continues to meet weekly for this purpose.

As Swansea Council has now received formal agreement from UK Government, work has begun in drafting legal agreements with each of the other authorities in the region, so that local delivery can commence. The Authority's legal team will be fully consulted in this process. Whilst the legal agreements are being developed, it is requested that at a local level we proceed at risk with the recruitment of staff for the internal Anchor teams and Programme management team and that we commence with opening up calls for all applications prior to entering into a formal Service Level

Agreement with Swansea Council. This will ensure that we can launch the programme as soon as possible at a local level.

The delay in approval has subsequent knock-on effects on the time available for delivery which is already challenging. UK Government have stipulated that all activity in relation to UK SPF must be complete by March 31<sup>st</sup>, 2025.

As Lead Authority, Swansea Council is putting in place a communication plan in consultation with the other local authorities. This includes regular press releases to inform all interested parties of the opportunities available to them under UK SPF as well as the creation of a website which each of the authorities will link into.

Following Cabinet approval in October to establish a Programme Management Team in Carmarthenshire, a team structure and job descriptions are being prepared so that the recruitment process can proceed as soon as possible to enable the programme to commence. Once established this team will provide regular programme updates and monitoring reports to the Regeneration Partnership and to Cabinet

### **3.0 Anchor Projects and Standalone Projects**

Following approval by Cabinet in October on the delivery model for implementation of the funds, i.e. Anchor projects, Standalone projects and Commissioned projects, much progress has been made in the development of the Anchor projects. As a reminder the Cabinet agreed to approve the following themed Anchor projects:

#### **Community Anchor**

Sustainable Communities will provide a third party grant to support the development and creation of activities aligned to the following themes.

- Poverty
- Circular Economy
- Wellbeing / Leisure
- Access to Services
- Environment and Green
- Tourism, Culture / Heritage
- Community Engagement

The Anchor project will also include additional budget for commissioning external expertise to provide strategic support.

#### **Rural Anchor**

The Rural Anchor will consist of 3 elements:

Ten towns initiative - Support will be delivered via a third-party grant scheme to support the realisation of projects identified within the economic growth plans for the respective areas. The Anchor project will include a budget to commission external expertise to provide strategic support.

Rural Innovation fund – a targeted fund that will provide opportunity to pilot, scope and test new innovative ideas that could be further developed through mainstreaming opportunities.

Hwb Fach y Wlad - Dedicated rural customer services officers will be available to support rural residents by developing provision across our rural market towns to support the needs of residents to access support, advice and information

### **Place Anchor:**

The Place Anchor would look to support town centres through a Vacant Property Fund, a Town Centre Events Fund and a package of support to deliver key projects identified in our Town Centre Recovery Plans to address the ongoing challenges.

### **Supporting Local Business Anchor:**

The Supporting Local Business Anchor will offer financial support to local businesses to support them in all stages of their development through Business start-up and Growth Grants, a Business Renewable Energy Fund and also a Property Development Fund.

In addition, a key focus will be supporting Carmarthenshire businesses to benefit from public procurement spend

**Employability & Skills Anchor:** New streamlined employability programme are being developed and there will be a focus on activity outside the remit of the RLSP and the Swansea Bay City Deal Skills and Talent project.

As the Anchor teams will be managing major parts of the investment plan – primarily by offering third party grants to organisations, it is imperative that these projects are developed in consultation with stakeholders to ensure that they add value to current and proposed provision delivered by UK Government, Welsh Government, and other organisations. The thematic sub groups of the Regeneration Partnership have been established to ensure that we have wider stakeholder involvement in the development of the Anchor projects.

Officers are meeting both internally and as a region to develop these projects to ensure that as well as meeting local need there is also as much commonality across the region as possible.

Once the precise detail of the Anchor projects is fully worked up, the Programme Management Team within Carmarthenshire, in consultation with the theme sub-groups and the Regeneration Partnership will be in a position to determine whether there are further challenges identified in the Investment Plan that are not being covered. Competitive bidding rounds will then be opened where organisations will be invited to fill these gaps in delivery by submitting applications for standalone projects.

The working budgets for the UK SPF themes in Carmarthenshire are as detailed below, these however, may change as the programme commences 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 (4% administrative budget removed from figures below)</b>
Community & Place	£10,240,933.76
Supporting Local Businesses	£10,240,933.76
People & Skills	£10,240,933.76
Multiply	£6,413,012

Current thinking is that 50% of the overall budget will be spent on the Anchor projects, these will be subject to detailed proposals. The remaining budget will be allocated to Standalone and Commissioned projects.

#### **4.0 Application and Decision Making Process**

The regional UK SPF working group has produced an application form and assessment criteria for the Anchor and Standalone projects. A guidance document to assist applicants is also being prepared by the Lead Authority and will be available shortly. The Regeneration Partnership and sub groups have been consulted during the development of these documents that can be seen in Annex 1 & 2.

Following consultation with our colleagues in internal audit a flow chart that documents the proposed stages in the approval of the Anchor and Standalone projects in Carmarthenshire has been developed. The flow chart can be seen in Annex 3.

Although Cabinet agreed the principle of the headline Anchor themes and constituted projects for each theme, there will be a requirement for an application form from each Anchor team detailing the proposed delivery with associated budget and indicators. The applications will then go through the stages detailed in the flow chart at Annex 3.

It is therefore recommended that delegated authority sits with Cabinet Member for Regeneration, Leisure, Culture and Tourism to approve the detail within the Anchor projects. This in line with Article 7.5 of Carmarthenshire County Council's Constitution.

Following full approval for the Anchor projects, delivery will commence, and the Anchor teams will be in a position to open calls for the Third Party Grants in accordance with the respective project proposals submitted to the Project Management Team. The application process for these will be determined by the Anchor teams themselves with input from the thematic sub groups, and application

forms tailored to the individual grant schemes. The assessment process for these grants will be managed by the Anchor teams.

Following assessment, final approval for these grants with a value up to £100k will be undertaken by Cabinet Member for Regeneration, Leisure, Culture and Tourism. The Cabinet and Regeneration Partnership will be kept fully informed of approvals through regular reports. Third Party Grants in excess of £100k will be taken to Cabinet for approval.

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

## **5.0 Multiply**

As part of its UK SPF allocation, Carmarthenshire has £6.68m budget for Multiply. This is the new adult numeracy programme to help transform the lives of adults across the UK by improving their functional numeracy skills through free personal tutoring, digital training, and flexible courses. We are working closely with our colleagues in the Education department, Coleg Sir Gar and wider stakeholders on options to best deliver this programme through a partnership approach.

## **Conclusion**

A great deal of progress has been made since the Regional Investment Plan was submitted to UK Government earlier this year. With UK Governments recent announcement stating that the investment plans have been approved, work will continue at pace to formalise the arrangements and enable delivery to commence as soon as possible.