

## Draft UK Shared Prosperity Fund (UKSPF) Investment Plan Development

<b>Corporate Priority:</b>	Delivering sustainable and inclusive growth in Melton
<b>Relevant Ward Member(s):</b>	All
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No

### 1 Summary

- 1.1 The UKSPF is a central pillar of the UK government's Levelling Up agenda and a significant component of its support for places across the UK. The fund will provide £2.6bn of funding for local investment to be utilised by the end of March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than competition. The amount notionally allocated to Melton is £1.19m
- 1.2 The funding is released once an investment plan has been agreed by Government. The deadline for submission of this plan is the 1 August 2022 and the outcome is expected to be announced by October 2022.
- 1.3 Having considered the evidence-base, national and local strategies and the views and ideas received from engagement sessions with members and stakeholders, this report sets out the emerging draft proposals Cabinet consider should be incorporated into the Investment Plan. Please note that due to the tight timescales, and ongoing development work, the draft investment plan will be to follow.

### 2 Recommendation(s)

#### That Scrutiny Committee:

- 2.1 **Provides comments on the draft UKSPF investment plan for consideration by Cabinet prior to finalisation.**

### **3 Reason for Recommendations**

- 3.1 To ensure that Cabinet are able to consider the views of the Scrutiny Committee ahead of formally considering the investment plan on 13 July 2022 and prior to submission before the deadline on 1<sup>st</sup> August.

### **4 Background**

- 4.1 The UKSPF was launched in April 2022 to support the Government's Levelling Up agenda. Melton Borough Council has received an in-principle allocation of just over £1.19m subject to submission of a 3 year investment plan before 1 August 2022 which runs until March 31<sup>st</sup> 2025.
- 4.2 The fund can be used for a mix of capital and revenue projects and there are three overarching investment priorities identified:
- Community and Place
  - Supporting Local Business; and
  - People and Skills
- 4.3 Under the people and skills theme, for the first two years, proposed interventions can only be those that support the extension of existing European Social Fund (ESF) projects that would otherwise end without this funding. In the third year the Council can directly support other projects that deliver activity within this theme. The draft Investment Plan will set out those ESF programme currently operating, alongside a consideration of their value to Melton and whether they should continue to be funded or not.
- 4.4 Councils are entitled to allocate 4% of their funding to support managing the programme during its term. In Melton this equates to only £47,600 over the three years of the programme. Smaller councils, with smaller allocations can request for a higher proportion of the fund to be allocated to the management of the programme. Melton is planning to exercise its right to make this request to ensure there is proper resource allocated to meet the relevant responsibilities under the scheme.
- 4.5 The Investment Plans need to be evidence-led and linked to national and local strategies. Wide stakeholder engagement is also required.

### **5 Main Considerations**

- 5.1 Melton Borough Council's allocation of £1.19m is spread over 3 years, with the majority being available in year 3.
- 5.2 Specifically, c. £145k is available in 2022/23, £290k in 2023/24 and £758k in 2024/25. There is a minimum capital requirement of 10% initially, rising to 20% in year 3. This can be increased if desirable to do so. One of the key considerations for plan proposals will be sustainability after the third year.
- 5.3 To inform the development of the investment plan an evidence base across all themes has been collated to identify key challenges and issues the borough is currently and will likely face. This evidence base is made up of quantitative data from hundreds of data sets and also qualitative data gathered from discussion with local partners, stakeholders and other interested parties.
- 5.4 This evidence base has informed engagement sessions with all members and stakeholders (which took place on 31<sup>st</sup> May and 1<sup>st</sup> June respectively) to help identify key

challenges and themes facing the area and to consider the types of interventions which should be incorporated within the plan.

- 5.5 Key themes which have emerged during these workshops include:
- a) Rural connectivity issues (physical and digital)
  - b) Accessibility and visibility – recognising some things may already be available but there is a lack of access or awareness about them.
  - c) Youth engagement, retention and support.
  - d) Supporting young businesses, attracting inward investment (both business and visitors) and increasing our promotion and tourism offer in the area
  - e) Solutions to help people with the Cost-of-living crisis
  - f) Promotion of cultural, leisure and heritage-based initiatives
- 5.6 Through the guidance, central government has been clear that local authorities should work together where common issues are shared or economies of scale can be realised through this approach. The emerging Investment Plan includes a number of areas which might benefit from a collaborative approach with neighbouring authorities and/or wider partners and these continue to be worked on.
- 5.7 Consultation is key for evidencing support and the report must be supported by a formal body of local representatives before it is submitted. Where formal bodies already exist, they are able to be repurposed. Due to this we are proposing to bring together members of the Place Board and Helping People Board (all of whom have previously been invited to the stakeholder workshop) to also consider the draft investment plan before finalisation.
- 5.8 The draft investment plan will be provided as appendix 1 (as a to follow item due to ongoing development). It is likely that the draft investment plan will still require further work to firm up proposals and funding allocations and it is also possible the cumulative cost of all proposals being considered currently exceed the amount available. It is therefore timely for the Scrutiny Committee to receive the latest draft proposition and provide feedback on the emerging proposals, and which to prioritise, for Cabinet to consider, particularly should there be insufficient funds to cover all schemes.

## **6 Options Considered**

- 6.1 Do nothing – this has been discounted as an option as we would not receive our £1.19m allocation of funding should we not submit an investment plan.

## **7 Consultation**

- 7.1 An Member workshop was held on 31 May 2022 and a consultation event was held for partners on the 1<sup>st</sup> June to feed into this plan. All notes from the meetings have been collated and Cabinet have considered the feedback as part of the developing investment proposals for the plan.
- 7.2 Information gathered from key consultation exercises such as the town centre vision document has also informed projects that are being considered through the investment plan.
- 7.3 Officers have held a number of 1-2-1s and wider conversations with existing partners to discuss areas they believe should be considered through this agenda.

- 7.4 The Stakeholder Advisory board will be set up to consider the draft investment plan with their comments fed into Cabinet for consideration prior to finalising the submission.

## **8 Next Steps – Implementation and Communication**

- 8.1 An Advisory Board of partners will view the draft investment plan and provide comments and their support will be sought for the plan.
- 8.2 A meeting with the MP is currently being arranged to seek their views on the proposals in the investment plan. The MP will also be asked to formally support the plan.
- 8.3 On the 13 July Cabinet will consider a final draft of the investment plan and delegated authority will be sought to finalise the plan prior to submission before the deadline of 1<sup>st</sup> August.

## **9 Financial Implications**

- 9.1 There is an allocation from the grant that can be set aside for resourcing monitoring and oversight during the life of the programme. Where resources are required to support particular interventions, these will be built into the investment plan proposals. The Council will explore opportunities to collaborate with neighbouring councils on the monitoring costs, however it is likely will need to exceed the 4% administration fee allowable, using the smaller council exemption.

**Financial Implications reviewed by: Director for Corporate Services, 17/06/22**

## **10 Legal and Governance Implications**

- 10.1 There are no direct legal implications arising from this report which seeks Scrutiny comment/feedback on the UKSPF investment plan.
- 10.2 There are likely to be grant conditions attached to the final decision by government to release the funding in October 2022. These conditions will have to be considered at that point in time.
- 10.3 The Council will be responsible for ensuring distribution of funding in accordance with the investment plan complies with subsidy control, procurement and general governance requirements. Internal processes and procedures are already in place to ensure compliance for a majority of this activity. For areas where the Council does not have internal skills or knowledge such as subsidy control assurance, advice will be sought via external organisations.

**Legal Implications reviewed by: Deputy Monitoring Officer, 17/06/22**

## **11 Equality and Safeguarding Implications**

- 11.1 An EIA will be developed for the UKSPF before it is submitted.

## **12 Community Safety Implications**

- 12.1 There may be some positive community safety impacts as a result of projects within the investment plan but the submission of the investment plan itself will not directly impact community safety

## **13 Environmental and Climate Change Implications**

- 13.1 The green agenda will again be benefitted at the local level with programme and activities proposed likely to generate positive benefits for local businesses and residents

## 14 Other Implications (where significant)

- 14.1 There may be HR implications arising from some of the proposals, particularly where recruitment is required.

## 15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Not enough resource is allocated to manage the UKSPF over the lifespan of its programme	Low	Marginal	
2	Government do not agree to the investment plan proposed	Low	Critical	
3	Advisory Board do not agree with the proposed interventions so we can not demonstrate community agreement with the proposed investment plan	Low	Critical	
4	Spending proposals are not sustainable leading to ongoing financial commitments	Low	Critical	

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low		1	2, 3,4	
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	Options are being explored as to how this can be managed, and MBC will be requesting a higher than 4% allocation of the total fund costs to support this measure as is allowed in the fund guidance. As a back up the council is also in

	discussion with neighbouring authorities to look at potentially pooling their allocations to create a bigger pot and get additional staff resource in to help deliver the UKSPF
<b>2</b>	The process is expected to be iterative with some communication between govt and councils to provide additional information and assurance where it is required. We will proactively work with government to provide them with any additional information they require to ensure they are supportive of the investment plan
<b>3</b>	Significant consultation has been undertaken to feed into this plan and all opinions taken on board. Key themes have emerged throughout this process and the investment plan is reflective of these themes and proposes interventions that support these themes.
<b>4</b>	As part of the development of the proposals this will be carefully monitored to minimise this risk and where it is realised to ensure the future financial implications are clear and incorporated into the Council's MTFS

## 16 Background Papers.

16.1 None

## 17 Appendices

17.1 Appendix 1 – Draft Investment Plan (to follow)

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