



UK Shared Prosperity Fund (UKSPF) Investment Plan Development

Corporate Priority:	Delivering sustainable and inclusive growth in Melton
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	Yes
Subject to call-in:	No General exception -

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, as well as the Council's Scrutiny Committee, this report sets out the latest 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 and that the plan will be finalised through a delegated decision prior to the submission deadline.

2 Recommendation(s)

That Cabinet:

- 2.1 **Notes and acknowledges the significant ongoing progress to develop the UKSPF investment plan**
- 2.2 **Supports in principle the proposals set out in the latest version of the plan (appendix 2), but recognises that development and refinement of the plan will continue prior to the submission deadline of 1st August 2022.**
- 2.3 **Approves submission of the UKSPF investment plan and delegates authority to the Chief Executive, in consultation with the Portfolio Holder for Growth and Prosperity, to finalise the plan prior to submission.**

3 Reason for Recommendations

- 3.1 To ensure that the Council can secure the £1.19m from the UK Shared Prosperity Fund and submit a plan prior to the submission deadline on 1st August.
- 3.2 To demonstrate an effective response to the evidence base, member and stakeholder engagement and ensure the submission of a coherent, ambitious and sustainable plan which seeks to deliver improvements under the relevant themes within Melton.

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 31st 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 Investment Plan will set out those ESF programme currently operating, and which, if any, the Council is proposing to continue supporting.
- 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 (see appendix 1).
- 5.4 This evidence base has informed engagement sessions with all members and stakeholders (which took place on 31st May and 1st 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 Interventions which respond to these issues and those in the evidence base, have been built into the latest version of the investment plan which will be provided as appendix 2 (as a to follow item due to ongoing development).
- 5.7 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 latest version of the 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.
- 5.8 Consultation is key for evidencing support and the investment plan should be supported by a formal body of local representatives before it is submitted. Where formal bodies already exist, they are able to be repurposed. To enable this the Council has invited a range of stakeholders from its Place Board and Helping People Board to form a Stakeholder Advisory Board. This is due to meet on 11th July 2022 and will consider the latest version of the investment plan. Feedback from the Advisory Board will be verbally shared at the Cabinet meeting.
- 5.9 On 27th June the Council's Scrutiny Committee considered an early draft of the Investment Plan and provided some initial feedback, including the following points:

- a) Importance of prioritising and ensuring the funding is not spread too thinly: It was confirmed at the meeting that the initial draft would be subject to refinement and this has now taken place to ensure the plan is focussed on priorities and is affordable.
- b) The importance of communicating what the Council and partners do was reiterated: It was confirmed the draft plan includes a number of measures to increase resources relating to communications and these have been retained within the latest version of the plan.
- c) Concern was expressed regarding the inclusion of funding for the Bell Centre prior to meaningful dialogue with the owner: It was confirmed that the funding was just an allocation to explore options for a key site at the right time, and not a commitment to immediately commission work. The site had been raised numerous times as a priority through recent stakeholder engagement and reassurance was provided that discussions with the BID and owner would take place before any work was commissioned and that the focus would be on exploring whether a more strategic and sustainable plan could be established with them. The latest version of the plan is being updated to expand the focus of any funding to include the wider surrounding area should the owner be unwilling to engage.
- d) Reference to engagement with Parish Councils was raised: It was explained that the Council does hold twice yearly Parish Council engagement sessions and that relationships were improving. The Council was also shortly due to hold specific sessions with Parish Councils regarding planning matters. Increasing resources in Parish Council engagement is being explored as part of the ongoing refinement of the Investment Plan.
- e) Support was expressed for projects aimed at alleviating the increased cost of living; tourism and the visitor economy; rural isolation / access to services / connectivity and a programme of health checks (physical and mental health) for farmers.

5.10 These points have been considered by Cabinet and where appropriate incorporated within the latest version of the plan. It should be noted that whilst the Investment Plan is reasonably well developed, it is likely it will require further refinement and development prior to submission at the end of July, hence the inclusion of a delegation to facilitate this.

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 A Member workshop was held on 31 May 2022 and a consultation event was held for partners on the 1st 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 Council's Scrutiny Committee met and considered the first draft of the investment plan on 27th June 2022.
- 7.5 The Stakeholder Advisory board will meet on 11th July and a verbal update of any feedback received will be provided at the Cabinet meeting.

8 Next Steps – Implementation and Communication

- 8.1 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.
- 8.2 Following formal consideration by Cabinet the investment plan will continue to be refined and developed prior to finalisation and submission utilising the delegated authority set out in the recommendations.

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. The anticipated costs for these is yet to be determined.
- 9.2 It is important that proposals are financially sustainable in order to avoid issues at the end of the funding period in having to scale back or discontinue ongoing service provision. There is also a risk that where funding is supporting employee resources that there could be exit costs associated with these when the fixed period ends.
- 9.3 Financial Implications reviewed by: **Director for Corporate Services**

10 Legal and Governance Implications

- 10.1 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 and will be subject to relevant governance decisions.
- 10.2 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 04.07.22

11 Equality and Safeguarding Implications

- 11.1 An EIA will be developed for the final UKSPF Investment Plan before it is finalised and 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	
5	There are exit costs at the end of the 3 year period for some of the initiatives funded	Low	Marginal	

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low		1,5	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
2	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
3	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.
4 and 5	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 – Consolidated evidence base

17.2 Appendix 2 - Draft Investment Plan (to follow)

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