

UK Shared Prosperity Fund Investment Plan**Report to Executive**

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PORTFOLIO	Economy & Growth
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PURPOSE

1. The purpose of the report is to seek approval of the UK Shared Prosperity Fund (UKSPF) Investment Plan for submission to government for approval

RECOMMENDATION

2. It is recommended that the Executive:
 - a) Approves the Investment Plan in Appendix 1 of the report
 - b) Delegates authority to the Strategic Head of Economy and Growth, up to the submission date, to make minor changes to the wording or layout of the Investment Plan
 - c) Delegates authority to Strategic Head of Economy and Growth in consultation with the Head of Finance and Property to negotiate and enter into funding agreements with the Government.
 - d) Delegates authority to the Strategic Head of Economy and Growth in consultation with the Executive Member for Economy and Growth to commission services funded by the UKSPF and to enter into service level agreements with delivery bodies

REASONS FOR RECOMMENDATION

3. In May the government issued details of the UKSPF programme including a £3.4m allocation for Burnley. The Council has to submit an Investment Plan no later than the 1st August 2022.
4. The delegations will enable the council to move swiftly into a delivery phase ensuring that projects deliver and that spend allocations for 22/23 are fully utilised.

SUMMARY OF KEY POINTS

What is UK SPF?

5. The UK SPF was launched by government in early 2022 to support its 'levelling up' agenda. The funds replace EU funding streams including ESIF and ERDF hitherto delivered on a County wide basis. Across Lancashire, the amount of SPF funding available is approximately 40% less than the current European Funding Programmes. All local councils have been allocated a share of the fund to invest in their areas by March 2025. Government has adopted a "blended approach" to allocating funds with 70% of the funding being allocated on a per capital basis and 30% on a needs based index accounting for productivity, household income and skills.
6. Burnley Borough Council has been allocated £3,488,102.00 over the next three years, profiled as set out in the table below. The capital spend is a minimum and local areas can allocate a higher proportion of capital.

	22/23	23/24	24/25
Revenue	380,981	736,565	1,774,539
Capital	42,331	190,061	443,622
Total	423,313	846,627	2,218,162

7. This can be used to support a wide range of interventions to build pride in place and improve life chances, across three investment priorities:
 - Community and place
 - Supporting local business
 - People and skills
8. To access this funding, the Council must submit an investment plan by 1 August 2022, setting out the mix of interventions, outcomes and outputs that we will deliver to meet our local needs. The interventions are chosen from a pre-scribed list of 41 interventions across the three priorities.

Investment Plan Development Process

9. To develop our local investment plan, council officers have engaged with a wide range of organisations currently involved in delivering European funded projects to support local businesses and in developing people and skills. It is estimated that circa £3m per annum is currently spent on these activities in Burnley with the funding coming to an end in June 23 and December 22 respectively.
10. We have assessed the 41 interventions against the Council's priorities identified in the Economic Recovery and Growth Strategy and the Community Recovery plan to assess best fit with local priorities. A list of interventions that have been rejected is included in Appendix 2. The main reasons for rejection are that the interventions would require a scale of investment not available in this programme, for example new business parks, transport infrastructure or that there are other funding streams available through for example the National Lottery, Arts Council or specific government departments. There are also some interventions that overlap and for ease of administration the best fit has been chosen.

11. In terms of projects to deliver the interventions the Council is working with locally based organisations harnessing the skills and experience of partners who are best placed to deliver projects and interventions to co-design and commission services. Under the supporting business priority the Council has engaged with a wide range of existing providers of business support services that are currently delivered on a County or region wide basis.
12. A list of organisations that we have co-operated with in developing the Investment Plan is listed in Appendix 3.

Investment Plan Content and Key Projects

13. The Council's Investment Plan is set out in Appendix 1 of this report. A summary of the key interventions and project proposals (details to be developed) are set out in Appendix 4.

Programme Management and Governance

14. The programme will be managed by Burnley Borough Council. Up to 4% of the allocation can be used to cover the administration costs of the project. An SPF Project Manager has already been appointed to develop the Investment Plan, complete negotiations with HMG, commission services and to monitor and evaluate the programme throughout its term.
15. The SPF guidance states that local areas must establish a partnership including local and regional stakeholders, civil society groups, businesses and business organisations to provide governance for the programme. It is proposed to utilise the existing Economic Recovery and Growth Board for this role as all the relevant bodies are already engaged and there is a strong overlap with the delivery of the Economic Recovery and Growth strategy.
16. It is proposed that the Council will commission services rather than invite competitive bids. This process will ensure that funding is directed to where it is most needed rather than those bodies able to write the best proposals.
17. Local Authorities must as a minimum monitor spend, outputs and outcomes against agreed indicators and it is advised that local areas should carry out process evaluations for projects. The programme will be evaluated nationally.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION
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18. Government will pay each lead local authority in England, Scotland and Wales annually in advance. In 2022-23, funding will be paid once the local investment plan has been signed off. In 2023-24 and 2024-25, local authorities will receive payment at the start of the financial year. Lead local authorities will receive a grant determination letter and Memorandum of Understanding setting out Fund

requirements and obligations. Lead local authorities will be asked to return any underspends at the end of each financial year.

19. Government expect Fund investment and outputs to be achieved in line with each place's investment plan, on time and in-year. We reserve the right to withhold or delay payment and alter payment cycles from 2023-24 onwards where there are performance or other issues with delivery.

POLICY IMPLICATIONS

20. The decision supports the Council's strategic priorities and the recently adopted Economic Recovery and Growth Strategy, and Community Recovery Strategy

DETAILS OF CONSULTATION

21. As set out in Appendix 2.

BACKGROUND PAPERS

22. None

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO: