

Report of	Meeting	Date
Director (Change and Delivery) Introduced by Executive Leader and Executive Member (Economic Development and Public Service Reform))	Council	Tuesday, 18 July 2023

Chorley UKSPF Programme

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

1. To provide members with an overview of the UK Shared Prosperity Fund (UKSPF) framework for Chorley Council.

Recommendations

2. To approve the UK Shared Prosperity Fund Delivery Framework for Chorley in order to progress delivery of the fund and to begin commissioning of the programmes within it.
3. To accept £4,212,901 of the UKSPF and £400,000 of the Rural Economic Prosperity Fund (REPF) from the UK Government
4. To approve a rural capital grants scheme utilising the REPF to enable eligible rural businesses to bid for funds to make capital improvements to their operations.
5. The allocation of the funds will be administered by the Executive in accordance with the terms of the scheme.

Reasons for recommendations

6. It is important to have a clear framework and principles for delivery of UKSPF and REPF aligned to the requirements of the fund and endorsed by Members. However, it may be necessary to adjust delivery to ensure that funds are allocated where they can have most impact and remain responsive to opportunities as they arise throughout the timescales of the programme.

7. To ensure momentum within the delivery timescales and reduce the chance of delay, which would raise the risk of not spending the full allocation or achieving the necessary outcomes and outputs. It is therefore appropriate for the authority to approve final delivery plans to be delegated to the Leader of the Council in collaboration with relevant Executive Members and Section 151 Officer.

Other options considered and rejected

8. No other options have been considered, as it is essential to have clear governance and decision-making routes in place that comply with the requirements of the UKSPF programme.

Executive summary

9. Following the launch of UKSPF in April 2022, the Council was invited to submit an Investment Plan by August 2022, setting out the local priorities and outcomes it wished to achieve, aligned to the interventions of the Fund which has an overarching aim to build pride in place and increase life chances. In addition, an addendum was required by November 2022 to enable access to the REPF.
10. The Council received notification from the government in December of its allocation for 2022/2023 and the indicative allocation for 2023/2024 – 2024/2025. UKSPF provides funding for a three-year period, April 2022 – March 2025. Chorley Council was allocated £4,212,901 of UKSPF for this period and a further £400k from the Rural Economic Prosperity Fund, which was announced in April 2023. The Council also received £20k capacity funding to assist with the development of the Local Investment Plan.
11. Due to the value, complexity and time limited nature of the UKSPF, the general approach adopted for year one of the programme was to align the fund with existing Council activity that supported UKSPF priorities, particularly where it would bring ‘added value’. Further work has been undertaken to develop the actions for 2023-25 which will be designed and scoped to ensure delivery within the timescales of the programme. This report sets out a framework for delivery of the UKSPF programme, including the interventions, outputs, outcomes and spend profile.

Corporate priorities

12. The report relates to the following corporate priorities:

Housing where residents can live well	A green and sustainable borough
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

Background to the report

13. UKSPF is one of a number of funds aligned to the Levelling Up agenda and forms the Government’s domestic alternative to the European Structural and Investment Fund (ESIF) and European Regional Development Fund (ERDF), which the UK

ceases to participate in beyond 2023. These programmes have been essential for local regeneration, business support, employment and skills.

14. The UKSPF programme has an overarching aim of building pride in place, reducing inequalities and increasing life chances across the UK with 3 key investment priorities identified:
 - i. **Communities and Place** – fostering a sense of pride and belonging through improvements to enhance physical, cultural and social ties and amenities including community infrastructure, green space and community-led projects. The emphasis is on resilient and safe neighbourhoods.
 - ii. **Supporting Local Businesses** – Creating jobs and boosting community cohesion by promoting networking, collaboration and interventions that bring stakeholders together and stimulate innovation and growth. The emphasis is on small and medium sized businesses to work together, using low carbon technology to grow exports.
 - iii. **People and Skills** – boosting core skills and access to work across the working age population to promote economic inclusion and reduce economic inactivity. This is supplemented by the national ‘multiply’ funding which focuses on improving numeracy.
15. UKSPF is designed to complement not duplicate other provision and it is recommended that the wider funding landscape for People and Skills is considered to ensure that funding is effectively targeted and delivered efficiently. This includes at a local and national programme level such as DWP/Job Centre Plus activity and Adult Education budget. It should be noted that activity around People and Skills could not take place until year 3 of the programme. It has since been confirmed that underspend from year 1 can be used to deliver skills activities in year 2, however year 3 funding cannot be brought forward. Due to the late nature of the announcement, the majority of Lancashire councils are not intending on undertaking skills programmes until year 3. This provides additional time to develop the proposals for year 3 that focus on meeting the local employment and skills needs and deliver the key objective within the Economic Strategy.

Rural Prosperity Fund

16. On the 3 September 2022, the Government Department for the Environment Food and Rural Affairs (DEFRA) published the Rural England Prosperity Fund Prospectus (REPF). The REPF is linked to the UKSPF, providing capital funding for rural communities in England. In order to access the funds, Lead Authorities were required to submit an addendum to the UKSPF Investment Plan by the end of November 2022, which outlined the rural issues faced by local communities and businesses and sets out, along the same lines as the UKSPF, how the Lead Authorities allocation of funding could be used. Chorley has been given an initial allocation of £400k covering the two financial years between April 2023 and March 2025.
17. The REPF largely follows the criteria of the UKSPF although the following points should be noted:

- REPF is for capital investment only.
- The funds are divided 25% and 75% in years one and two respectively.
- The fund covers the UKSPF themes of Communities and Place, and Supporting Local Business, but does not include People and Skills.
- The prospectus states that rural areas and settlements of up to 10,000 population are eligible for funding and that market or 'hub towns' with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services are also eligible.

18. Like the UKSPF, the REPF submission is based around a series of prescribed interventions. These correspond to the UKSPF interventions with the addition of two new ones concerning the circular economy in rural areas and small grants for micro businesses and SMEs.

Fund Priorities and Investment Plan

19. The UKSPF prospectus specifies 41 interventions across the three investment priorities that lead authorities had to choose from to reflect local priorities. For each intervention there were also a set of outcomes and outputs that had to be selected to demonstrate delivery. Lead authorities were required to submit a proposed Investment Plan in August 2022, identifying the interventions to be prioritised for their area and the outcomes they wish to achieve.

20. Within the Council's Investment Plan a number of key themes and priorities were identified that formed the context and basis for selecting the interventions, outcomes and outputs. The interventions that form the basis for the Chorley Council programme are set out in the table below. The approach to delivering the plan includes a balance of reinforcing local delivery, addressing gaps in provision based upon current and forecasted needs / demands and identifying those activities that will benefit from delivery at scale and with a partner.

Priorities
Communities & Place
<p>Community resilience</p> <ul style="list-style-type: none"> • Addressing pockets of deprivation and inequality post pandemic, with a focus on extending early intervention and social prescribing to address wider determinants of health and achieve sustainable wellbeing outcomes. • Building on our unique understanding of local communities at a district level to address gaps in services and develop partnership designed services based on local need. • Improving access to services across urban and rural localities. <p>Community Spaces</p> <ul style="list-style-type: none"> • Reviving the high street to retain identity and lifestyle opportunities in the town centre and across the borough. • Maximising the value of recent investment in local assets and infrastructure including the town centre and market development, extending benefits beyond the town centre.

Local Businesses

Town Centre

- Supporting independent traders, promoting shop local behaviours and providing an attractive proposition for shoppers and visitors.
- Targeted support for town centre traders in key processes
- Support for markets, new market development and potential extension to other areas.
- Totally Locally training and support.

Visitor Economy

- Delivering a refreshed tourism strategy promoting local heritage, key attractions and events as part of a day visitor offer, including regional marketing to encourage profile and investment.

Productivity and sustainability

- Retaining and expanding inhouse business support to facilitate and drive future growth in key sectors.
- Establishing a dialogue with businesses and promoting collaboration across sectors.
- Additional grants and advice for key sectors including start-ups.
- Developing a tailored approach to developing commercial space for businesses, including investment packages and grants to adapt existing accommodation.

Climate Change

- Supporting businesses to reduce emissions and transition to net zero by facilitating knowledge sharing and increasing capability for decarbonisation.

Innovation and exportation

- Investment and support for innovation, continuing to lead and drive new market development.

Recruitment and skills

- Ensuring a future skills pipeline to meet business needs, linking industry with education and training provision to align and incentivise future career pathways.

People and Skills

Employability

- Support for businesses to carry out workforce skills analysis.
- Extend employability service, targeting economically inactive cohorts in specific neighbourhoods aligned to areas of deprivation.

21. More detail is set out in the Framework for delivering the UKSPF programme contained in Appendix A including the interventions, types of projects and allocation of funding for the 3-year programme.
22. A number of the projects highlighted against the interventions in Appendix A will be delivered directly by the Council, or the Council will procure or commission organisations that are already established and specialists in providing specific activities that meet the Council's priorities. This includes commissioning of community service providers and specialist business support and advice.
23. In addition, a range of projects will be open for applications from potential delivery partners and businesses. This includes an allocation of £300k (supported by both Chorley and South Ribble Councils) to develop a variety of community initiatives that encourage partners to work together to build community capacity and tackle the wider determinants of health and inequalities in a connected and cohesive local system. This will be administered through the Chorley and South Ribble Partnership. A range of business grants will also be open to applications and this includes the proposed rural business capital scheme. Further details on how this will be accessed will be publicised in due course.

UKSPF Budget Allocations

24. In December 2022, the Council received approval of its investment plan and confirmation of the funding allocation awarded from UKSPF; the table below shows the allocation over a three-year period:

UKSPF Grant Allocation	Capital Funding £'000	Revenue Funding £'000	Capacity Funding £'000	Total
2022-23	109	402	20	531
2023-24	218	804	-	1,022
2024-25	572	2,107	-	2,679
Total	899	3,313	20	4,232

25. The UKSPF guidance allows for 4% of the total programme to be used for administration of the funding. This is being used to support the development and delivery of the programme in Chorley and forming a contribution to posts that are directly involved in the management of the programme.
26. Year one of the UKSPF could support schemes delivered from 1 April 2022. Members will note from the Revenue Budget 2023, Medium Term Financial Strategy and Capital Programme Report 2023-2026 that was presented to Council on the 28th February 2023, that due to the value of the UKSPF, complexity and its time limited nature, the general approach adopted when selecting the interventions and to ensure best value for money within year one has been to align existing activity to the fund, particularly where it would bring 'added value'. Appendix A sets out the framework for delivery including the interventions which have 2022/23 spend allocated to them.
27. Activity for 2023-25 has required detailed design and scoping which continues to be undertaken and a full delivery plan will be set out in due course. Where the Council may wish to procure or commission external services and support to deliver UKSPF priorities, legal advice and assistance will be provided to ensure that all requirements

of the fund are met and that the best approach is taken in ensuring value for money in line with the council's financial and procurement processes. This could include Service Level Agreements, grants, competitive grants or full procurement or commissioning processes.

28. Appendix B sets out the allocation of funding against each of the UKSPF investment priorities. Since the submission of the investment plan, project scoping has resulted in some movement of budget across investment priorities to ensure that the funding is being used to have maximum impact whilst meeting UKSPF programme criteria. The table in Appendix B shows the original allocation, the current allocation and the spend that has occurred in year 1.

The Role of Local Partnerships in UKSPF

29. Lead authorities are tasked with working with a diverse range of local and regional stakeholders to achieve the UKSPF outcomes in their areas. In line with UKSPF requirements, a comprehensive and balanced local partnership group will be a core component of how the fund is administered locally
30. The Chorley and South Ribble Partnership is strongly positioned to undertake a leading role and exists to promote collaborative working across the area. It comprises a mix of public, private and third sector organisations representing communities, housing, health, education and business sectors at a strategic level.
31. The partnership is focused on building strong communities and outcomes for residents by reducing inequalities, making it easier to access local services and strengthening growth in the area's economy. Partners share intelligence, accelerate integration and influence other major players to get the best outcomes for the people of Chorley. The partnership is also part of a wider integrated governance structure for Central Lancashire and the wider region ensuring links to key policy agendas and decision makers.
32. The primary role of the partnership in UKSPF will be to act in an advisory capacity, receiving regular updates on delivery and providing guidance on strategic fit with local priorities and deliverability. It is proposed that this ongoing involvement will be facilitated through the Chorley and South Ribble Partnership.

REPF Delivery

33. Options for the delivery of the rural element of the prosperity funding have been considered including rural broadband to address gaps in connectivity and a rural grants scheme to promote growth and sustainability. Given the timescales for the funding and based on feedback from local businesses, the proposal is to offer a rural grants scheme to enable eligible businesses to make capital improvements to their operations.
34. If agreed, grant criteria and processes would be developed for further approval from Members. The business engagement team would promote the scheme as a Chorley Council initiative.

Climate change and air quality

35. The work noted in this report has an overall positive impact on the Councils Carbon emissions and the wider Climate Emergency and sustainability targets of the Council. In particular it impacts on:
- net carbon zero by 2030,
 - reducing waste production
 - promoting sustainable transport and infrastructure
 - working with partners to improve green spaces and biodiversity
 - improving air quality.

Equality and diversity

36. UKSPF seeks to reduce inequalities in communities, build pride in place and improve life chances. The programme provides the opportunity to consider the latest demographic information, policy context and implications for services in setting out support for those in communities who may have unfair disadvantages in accessing support, services and opportunities.
37. UKSPF is delivered through to 31 March 2025 and as each project is implemented, an equality impact assessment will be undertaken to consider the equality and diversity implications.

Risk

38. Government had initially indicated that any underspend in each year would be lost, however, due to the delay in funding allocations being confirmed, underspend from 2022/23 can be carried forward into this financial year (2023/24) providing that a credible plan is submitted setting out how it will be utilised in the next year. To help mitigate against this, programme design and delivery for year one has largely been based around existing delivery mechanisms and added value to existing activity.
39. Year two and three activity will need to be carefully monitored and planned to ensure effective use of the fund and that delivery can be completed by the end of the programme, March 2025. There is a risk that if there is underspend at the end of the programme or that projects have failed to deliver within the timescales of the programme, the funding would need to be returned to government.

Comments of the Statutory Finance Officer

40. Budgets were established within budget setting 2023/24 for UKSPF. Because spend can be of a capital or revenue nature budgets were established within revenue but will require adding to the capital programme where necessary according to the nature of the spend. This will be reported through the quarterly financial monitoring reports.

Comments of the Monitoring Officer

41. The purpose of the report is to establish a budget to enable the receipt and distribution of the UKSPF funds. The report explains the purpose of the scheme and confirms how the fund should be distributed, it is appropriate for this to be undertaken

by the Executive either by acting as a Cabinet or by member decision depending on value.

Background documents

Revenue Budget 2023, Medium Term Financial Strategy and Capital Programme Report
2023-2026

Appendices

Appendix A: UKSPF Framework

Appendix B: Funding allocations by investment priority

Report Author:	Email:	Telephone:	Date:
Michelle Horrocks (Head of Economic Growth)	michelle.horrocks@chorley.gov.uk	01257 515425	22/06/2023