



CABINET – 26TH SEPTEMBER 2022

**SUBJECT: UK GOVERNMENT SHARED PROSPERITY FUND – CAERPHILLY
LOCAL INVESTMENT PLAN**

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To update Cabinet on the submission by Rhondda Cynon Taf (RCT) of the Cardiff Capital Region Investment Plan to the UK Government Shared Prosperity Fund as part of the UK Government's Levelling Up programme.
- 1.2 To seek endorsement for the Caerphilly Local Investment Plan comprising an overview of the Caerphilly Specific Proposed SPF interventions attached as Appendices 2 and 3.

2. SUMMARY

- 2.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.
- 2.2 The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:
 - Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
 - Spread opportunities and improve public services, especially in those places where they are weakest
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost
 - Empower local leaders and communities, especially in those places lacking local agency

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK.

- 2.3 Underneath the overarching aim of building pride in place and increasing life chances, there are three UKSPF investment priorities: communities and place; supporting local business; and people and skills. The SPF aligns and compliments the Levelling Up Fund and the proposals considered under a separate Cabinet report.
- 2.4 All places in the UK will receive a conditional allocation from the UKSPF. Caerphilly County Borough has a conditional allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme) up to March 2025
- 2.5 The 10 LAs in the CCR have a combined conditional allocation of £230,432,572 and £48,100,003 for *Multiply.
- 2.6 Cabinet will recall that local authorities within the Cardiff Capital Region (CCR) have been invited to collaborate and feed into one regional investment plan for the CCR and that on the 29th of June 2022 Cabinet agreed that Rhondda Cynon Taf CBC should assume the role of the 'Lead Local Authority'.
- 2.7 The regional investment plan has been prepared by RCT with input by all 10 local authorities and was formally submitted to UK Government on 1 August 2022. The anticipated date for the first investment plans to be approved and payment awarded to Lead Local Authorities by UK Government thereafter is October 2022 onward.
- 2.8 The development of the Investment Plan is the beginning of the Shared Prosperity Fund process. In the period between submission and approval the lead authority will continue to work with local authorities to provide further detail on how the fund will be administered in the Cardiff Capital Region. During this period, officers will continue to work with local partners to develop the delivery phase of the Shared Prosperity Fund.
- 2.9 The fund can support investment in interventions that start from 1 April 2022 where they fit with the intervention toolkit. Any such interventions will be at risk prior to approval by UK Government of the CCR Investment Plan. In this regard spending "at risk" for the period up until the UK Government funding announcement was agreed by Cabinet on 29 June 2022. (For ease of reference the Cabinet Resolution in respect of the SPF Report of the 29 June 2022 is shown at Appendix 1)

3. RECOMMENDATIONS

- 3.1 That Cabinet:
 - (i) Consider the detail of the UK Shared Prosperity Fund and the opportunities for the Funds to contribute significantly to the Council's own Place Shaping, Community resilience, Transformation and Regeneration agendas.
 - (ii) To note that the CCR Investment Plan has been submitted to UK Government for consideration by RCT.
 - (iii) Consider and endorse the Caerphilly Local Investment Plan comprising an overview of the Caerphilly Specific Proposed SPF interventions attached at Appendices 2 and 3.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Council is fully prepared to maximise funding opportunities from the Shared Prosperity Fund for the benefits of its citizens and communities.
- 4.2 To ensure Cabinet are aware of the submission of the CCR Investment Plan by RCT to UK Government for the region.
- 4.3 To ensure Cabinet endorse the Caerphilly Local Investment Plan which comprises an overview of the Caerphilly specific proposed SPF interventions attached at Appendix 2 & 3 and recognise the diverse range of interventions to be supported.

5. THE REPORT

- 5.1 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.
- 5.2 The UKSPF will support the UK government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives to:
 - Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
 - Spread opportunities and improve public services, especially in those places where they are weakest.
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 - Empower local leaders and communities, especially in those places lacking local agency.

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. It aligns with the Levelling Up fund proposals considered under a separate report to Cabinet.

- 5.3 Underneath the overarching aim of building pride in place and increasing life chances, there are three UKSPF investment priorities: communities and place; supporting local business; and people and skills.
 - The **communities and place** investment priority will enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level. The intention of this is to strengthen the social fabric of communities, supporting in building pride in place.
 - The **supporting local business** investment priority will enable places to fund interventions that support local businesses to thrive, innovate and grow.
 - The **people and skills** investment priority can provide funding to help reduce the barriers some people face to employment and support them to move towards

employment and education. This theme can also target funding into skills for local areas to support employment and local growth.

- 5.4 Within the context of the Fund’s aims, each place will have the flexibility to invest across a range of activities that represent the right solutions to improve local pride in place, increase life chances, to help spread and create opportunity, and a sense of community and belonging. The balance of priorities should reflect local need and opportunity. This flexible approach represents a key shift from the previous EU system.
- 5.5 All places in the UK will receive a conditional allocation from the UKSPF. Caerphilly County Borough has a conditional allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme programme).
- 5.6 Table 1 provides the Caerphilly County Borough allocations up to March 2025. It is important to note that any funding not utilised in year cannot be carried forward and will be lost. In this context, local authorities can spend at risk from 1 April 2022 for 2022-23. Mechanisms are also being explored to ensure that all funding is maintained within the CCR each year through the development of a legal agreement between the Lead Authority and UK Government and via back-to-back legal agreements with RCT and the 9 Local Authorities in the CCR.

Total SR (UKSPF core)	22-23 (UKSPF core)	23-24 (UKSPF core)	24-25(UKSPF core)
£28,272,298	£3,431,104	£6,862,208	£17,978,985
Total SR (Multiply)	22-23 (Multiply)	23-24 (Multiply)	24-25 (Multiply)
£5,901,499	£1,784,174	£2,058,662	£2,058,662

Table 1: Caerphilly CBC Shared Prosperity Fund and Multiply allocation.

- 5.7 The 10 LAs in the CCR have a combined conditional allocation of £230,432,572 and £48,100,003 for *Multiply.
- 5.8 In order to access UKSPF funding, RCT as the lead local authority for the CCR have prepared a regional investment plan, setting out how they intend to use and deliver the funding over the 3-year period. This regional investment plan has been prepared by RCT with input by all 10 local authorities and it was formally submitted to UK Government on 1 August 2022. The anticipated date for the first investment plans to be approved and payment awarded to Lead Local Authorities by UK Government thereafter is October 2022 onward.
- 5.9 The development of the Investment Plan is the beginning of the Shared Prosperity Fund process. In the period between submission and approval the lead authority will continue to work with local authorities to provide further detail on how the fund will be administered in the Cardiff Capital Region. During this period, officers will continue to work with local partners to develop the delivery phase of the Shared Prosperity Fund.
- 5.10 Lead local authorities for each area will have flexibility over how they deliver the Fund. They may wish to use a mix of competitions for grant funding (which is the default approach set out in Cabinet Office Grants Standards), procurement,

commissioning or deliver some activity through in-house teams. For example, some community level interventions may require a commissioning or in-house approach, recognising that competitions for grant may create barriers to participation in left behind communities.

- 5.11 Notably, Caerphilly County Borough Council is not required to develop its own local investment plan for submission to UK Government. However, it is important that a local investment plan for the County Borough is prepared to provide clarity at the local level on the Caerphilly specific interventions, targets and outputs that the Council wants to achieve through the UKSPF. Each local authority in the CCR region has agreed to this approach and have prepared local investment plans
- 5.12 Given the extremely tight timescales involved in preparing the local investment plan, work has continued throughout the summer to develop the detailed local interventions in partnership with local stakeholders from both within and outside of the Council in preparation for the payment award from UK Government in October 2022. The Caerphilly Local Investment Plan comprising an overview of the Caerphilly specific proposed interventions is attached at Appendices 2 and 3. It will be necessary to review the targets and outputs as each of the interventions/projects progresses over the funding period.

Conclusion

- 5.13 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025. This funding provides a significant but challenging opportunity for the region.

6. ASSUMPTIONS

- 6.1 This report assumes that the CCR Investment Plan will be approved by UK Government by the end of October 2022.
- 6.2 Delivery of the programme is challenging with funding lost if not committed in accordance with the in-year allocations. A small project team has been identified within the funding envelope to ensure a sharp focus remains on delivery and outcomes.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 All projects will seek to improve the economic, social and cultural well-being of the community and leave a lasting positive impact. Proposals developed by CCBC & partners under this programme will prevent problems occurring or getting worse. The SPF will look to develop interventions and outputs that respond to local issues. This will:
- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
 - Spread opportunities and improve public services, especially in those places where they are weakest.
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 - Empower local leaders and communities, especially in those places lacking local agency.

[Link to Integrated Impact Assessment](#)

8. FINANCIAL IMPLICATIONS

- 8.1 All places in the UK will receive a conditional allocation from the UKSPF. Caerphilly County Borough has a conditional allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult numeracy programme).
- 8.2 The 10 LAs in the CCR have a combined conditional allocation of £230,432,572 and £48,100,003 for *Multiply. Note: Up to 4% of the funding can be used for financing the administration of the fund. This 4% does not need to be spent wholly by the lead authority, a proportion of the administration budget can be allocated to individual authorities as appropriate. The proportion that will be allocated to individually local authorities has yet to be agreed with RCT.
- 8.3 The fund can support investment in interventions that start from 1 April 2022 where they fit with the intervention toolkit. Any such interventions will be at risk prior to approval by UK Government of the CCR Investment Plan. In this regard spending “at risk” for the period up until the UK Government funding announcement was agreed by cabinet on 29 June 2022.
- 8.4 The lead authority for the strategic geography i.e. RCT for CCR, will have overall accountability for the funding and how the fund operates.

9. PERSONNEL IMPLICATIONS

- 9.1 In Cardiff Capital Region, the overall UKSPF programme will be delivered by a Lead Local Authority (potentially RCT) and implemented, delivered and monitored at the local level by the individual local authorities. This is a significant change from previous EU funding programmes, which were managed and administered centrally by the Welsh European Funding Office.
- 9.2 There will be pressure on staff to deliver at a local level and it is proposed that a small team is established to manage and monitor the delivery of the programme at this level. The costs associated with these posts will be borne by the UK SPF allocation
- 9.3 This programme is significant and challenging in terms of delivery and will place additional pressure on a number of key service areas to provide the necessary staff support for the programme, in particular Regeneration & Finance.

10. CONSULTATIONS

- 10.1 All consultation responses are reflected in the report.

11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000, Local Government (Wales) Measure 2011 and the Local Government and Elections Act 2021.

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Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language

Appendix 1 Cabinet Resolution of 29 June 2022 in respect of the SPF.

Appendix 2 & 3: Caerphilly Local Investment Plan comprising an overview of the Caerphilly specific proposed SPF interventions.

CABINET – 29TH JUNE 2022

ITEM 6: UK GOVERNMENT SHARED PROSPERITY FUND

CABINET RESOLVED that for the reasons contained in the Officer's report:

- 1) The detail of the UK Shared Prosperity Fund and the opportunities for the Funds to contribute significantly to the Council's own Place Shaping, Transformation and Regeneration agendas be considered.
- 2) Rhondda Cynon Taff County Borough Council assume the role of the 'Lead Local Authority' for the UKSPF for the Cardiff Capital Region.
- 3) Rhondda Cynon Taff County Borough Council submit the CCR Investment Plan for consideration by UK Government prior to the closing date for submission of 1st August 2022.
- 4) Delegated powers be given to the Corporate Director for Economy and Environment in consultation with the Head of Legal Services and the Cabinet Member for Prosperity, Regeneration & Climate Change, to agree the legal agreements associated with the UKSPF with the Lead Local Authority namely Rhondda Cynon Taff County Borough Council on behalf of Caerphilly County Borough Council.
- 5) The 2022/23 budget be utilised at risk to deliver the interventions outlined in Appendix 1 in order to ensure that the fund for 2022/23 is fully expended.
- 6) The contracts of staff who are at threat of redundancy as a consequence of the cessation of Unanimously the European Social Fund in 2022/23 be extended up to March 2023. This will be at financial risk to the Council in the first instance and the contracts can be further extended once confirmation of SPF funding is received.
- 7) Any elements of 2022/23 at risk expenditure that are not subsequently approved for funding through the SPF be funded through the Council's Wellbeing and Place Shaping Framework Earmarked Reserve.
- 8) The appointment of a small project team using the administration/management fee, initially comprising of a lead project officer (Grade 10), finance officer (Grade 9) and 1 x support officer (Grade 9) to manage and administer the delivery of the SPF programme for Caerphilly CBC be agreed.
- 9) Further reports be presented to Cabinet detailing the funding proposals for future stages of the fund.