



CORPORATE AND REGENERATION SCRUTINY COMMITTEE - 14TH MAY 2024

**SUBJECT: UK SHARED PROSPERITY FUND - 6 MONTHLY
MONITORING UPDATE REPORT**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND
ENVIRONMENT**

1. PURPOSE OF REPORT

- 1.1 To provide an update to Scrutiny Committee on the delivery of the UK Government Shared Prosperity Fund (UKSPF) within Caerphilly CBC as part of the UK Government's Levelling Up programme.

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.
- 2.2 The UKSPF is intended to support the UK Government's wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives. 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.**
- 2.4 Caerphilly County Borough has an allocation of £28,272,298, and an allocation of £5,901,499 for *Multiply (*UK Gov Adult Numeracy Programme).

3. RECOMMENDATIONS

- 3.1 That Scrutiny Committee:
 - (i) Note the detail of the UK Shared Prosperity Fund update and six-monthly monitoring report and the opportunities for the programme to

contribute to the Council's own Place Shaping, Transformation and Regeneration agendas.

- (ii) Recognise the progress officers and stakeholders have made in mobilising a significant investment programme within the time constraints afforded by the funding programme.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To enable the Scrutiny Committee to have effective oversight of the SPF Programme as part of the effective management, administration, and delivery of the UKSPF Programme for Caerphilly CBC.
- 4.2 To ensure that the Authority is fully prepared to maximise funding opportunities from the UK Shared Prosperity Fund for the benefits of CCBC citizens and communities.

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 is intended to 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 which were considered in a previous 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 and 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 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 has 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.
- 5.5 To enable access to the UKSPF funding, regional Lead Local Authorities (in Wales) needed to complete an Investment Plan, setting out, how they intended to use and deliver the funding. From the Council's perspective, Rhondda Cynon Taf (RCT), as Lead Local Authority for the Cardiff Capital Region (CCR), submitted a Regional Investment Plan on behalf of the ten local authorities that comprise the Cardiff Capital Region in August 2022 to the UK Government. Further, Cabinet endorsed the Local Investment Plan for Caerphilly County Borough, on 26 September 2023.
- 5.6 The UK Government announced the acceptance of investment plans across the UK in December 2022, delayed from October 2022. Draft funding agreements, based on the UK Government's Memorandum of Understanding, were subsequently circulated by Rhondda Cynon Taf Council in January 2023 and a final agreement was signed in April 2023.
- 5.7 In January 2023, CCBC established a Shared Prosperity Programme Board (the Board), to provide executive leadership and oversight of the delivery of the projects within the Local Investment Plan. As part of the Board's Terms of Reference, it was determined that the Board will provide regular progress updates on the delivery of the Local Investment Plan to Scrutiny Committee.
- 5.8 Subsequently, good progress was made in terms of mobilising a number of the projects identified in the Local Investment Plan. In June 2022 Cabinet provided approval for identified projects that could proceed at risk, in advance of the UK Government's formal endorsement of the Regional Investment Plan.
- 5.9 Consequently, officers were able to submit a claim at the end of the first year of the programme for the period 2022-23 of £2.041M against an allocated budget of £5,131M, allowing for contributions to RCT for their administrative role as lead authority.

Table 1 – First Year Claim

| Investment Pillar | Spend | Budget |
|-----------------------------|----------------------|----------------------|
| Communities & Place | £625,511.86 | £1,514,083.39 |
| Local Business | £1,201,722.80 | £1,397,760.00 |
| People & Skills | £128,330.83 | £382,016.79 |
| Multiply | £82,827.16 | £1,712,807.31 |
| Management & Administration | £3,345.84 | £125,166.69 |
| Total | £2,041,738.49 | £5,131,834.18 |

- 5.10 The second-year claim submitted in April 2024 shows a spend for 2023-24 of £8,647,804.73 against an allocated budget of £11,714,951.29 (Note: this is still subject to validation by the Lead Authority).

Table 2 – Second Year Claim (See Appendix 1)

| Investment Pillar | Spend | Budget |
|-----------------------------|----------------------|-----------------------|
| Communities & Place | £1,779,142.10 | £2,709,768.06 |
| Local Business | £2,886,196.43 | £3,350,395.31 |
| People & Skills | £2,816,406.48 | £3,452,689.94 |
| Multiply | £1,008,019.66 | £1,976,315.17 |
| Management & Administration | £158,040.06 | £225,782.81 |
| Total | £8,647,804.73 | £11,714,951.29 |

- 5.11 Due to the programme start delay incurred in 2022-23, across all Welsh Authorities, there was a recognition and identification, that certain outputs and outcomes for the Multiply Programme, were not likely to be achieved in Year 1. It was therefore agreed that the Year 1 Multiply funding allocation would be reduced by £906.360. It was subsequently agreed by UK Government, that this allocation could be ¹carried forward to 2023-24 (Year 2 of the programme) along with other 2022-23 Multiply underspends, and it could either be kept within the 2023-24 Multiply allocation or transferred to People and Skills interventions. In CCBC the funding was transferred to People and Skills interventions.
- 5.12 In relation to the delay to the inception of the programme and the pattern of spend being achieved across the country and the flexibility around the use of Multiply funding, the Welsh Local Government Association has written to the Secretary of State for Levelling Up, Housing and Communities seeking a six month extension to the UKSPF programme in order to maximise the benefits of the programme and a replication of the flexibility in relation to the Multiply allocations , a copy of the letter and the reply from the Secretary of State is attached at **Appendix 2**.
- 5.13 The Monitoring and Evaluation team have been undertaking extensive engagement with the various Project Lead Officers across the authority to support the delivery and monitoring of the Local Investment Plan and where appropriate, engagement with stakeholders in the community has been initiated in relation to a number of projects.

Overview of projects

- 5.14 Projects that delivered in the first two years of the programme include:
- Caerphilly Enterprise Fund provided financial support to 121 businesses, contributing to the creation of 225 jobs and helping to safeguard 883 jobs.
 - 350 sq. m. of public realm and general improvements in town centres and green spaces.

¹ Carry forward funding is subject to UK Government approval and RCT validation of the claim submitted.

- Enhanced the Council's Cost of Living Scheme: activity included identifying 1,500 properties with an EPC rating of F and G to offer targeted support, Energy Crisis Grant launched, 331 household visits undertaken to provide energy efficiency advice. Energy efficient lightbulbs installed in forty-eight (48) newly let CCBC properties, 1,250 landlords contacted reinforcing Minimum Energy Efficiency Standards requirements. Tracking of carbon reduction also indicates 128 tonnes of carbon saved to date due to measures implemented.
- Support to the development of the new Ffos Caerfilli Market that opened in April 2024.
- Engagement with 754 community members through a community safety initiative that delivered funding to various community groups aimed at intervention and prevention work.
- Enhanced events programme delivering increased footfall to town centres including new events for Blackwood and Ystrad Mynach generating additional footfall in our town centres of 42,975.
- Placemaking Plans for Blackwood and Bargoed town centres under development with first drafts shared with stakeholders in each of the two town centres.
- Meanwhile Use Space created in Bargoed due to open May 2024.
- New Vzta App launched to support businesses across our principal town centres.
- Streetwave project initiated to support improved connectivity with existing phone networks.
- Free Wi-Fi operational in seven town centres: Blackwood, Risca, Ystrad Mynach, Bargoed, and Rhymney, Caerphilly and Newbridge.
- Llamau commissioned to provide support to 50 economically inactive young people aged 16-24.
- Delivering training pathways to provide skills and training for 'skills gap' sectors such as PTS - Rail, Plant and Civil training, Teaching Assistant training, Call Centre training and developing training pathways in sectors including advanced manufacturing, digital and creative industries linking with regional partners.
- Coleg Gwent and Coleg Y Cymoedd commissioned to provide 1-2-1 support to 365 young people aged 16-24 across the Borough to prevent them becoming NEET and remain in education.
- 13 participants have completed 8-week paid work placements in departments across the Council. IT, Caerphilly Homes, Employment Support Team, Residential Homes, Leisure, Tourism, Adult Education and Libraries.
- The Inspire Project, based in Education, has Support Officers based in 12 comprehensive schools across the County Borough supporting pupils with attendance, attainment, and behaviour in Key Stage 3 (KS3) via 1-2-1 support.
- Coleg-Y-Cymoedd have been procured to deliver on the following interventions:
 - W48: Maths modules embedded into other vocational courses.
 - W49: Innovative programmes delivered together with employers to cover specific numeracy skills required in the workplace.
 - W50: Level 2 maths in Wales.
- Threshold Das have been procured to deliver:
 - W53 Money Management, and
 - W46 Prisoners released or on temporary licence.
- 417 participants have attended Multiply courses either as groups or one to one, many of whom have completed accreditations. Courses span

across several interventions ranging from first steps cooking, family learning to employability type courses linked to numeracy.

- The Multiply profile is constantly being raised through community events such as woodland explorers, coffee mornings and general community engagement.
- 5.15 A copy of the SPF bulletin is attached at **Appendix 3** detailing some of the projects delivered so far in the first two years of the programme and a full list of the Projects for the programme is attached at **Appendix 4**.
- 5.16 In line with the agreed governance arrangements for the SPF programme, Cabinet considered and agreed to support two significant projects on 3rd April 2024, subject to identifying the release of funds within the current programme:
- W03 Cleaner and Greener - £995,000
 - W24 Retrofit Hub, Coleg Y Cymoedd - £1,000,000
- 5.17 The Cleaner and Greener project aims to enhance and improve the Street scene of the most popular spaces in our communities for the benefit of those who live, work, or visit in the county borough. These improvements are over and above minimum and statutory service levels with a view to promoting well-being. Good quality surroundings enable people to feel safe and secure, use facilities and services and socialise. These factors support good physical and mental health and well-being and are regularly fed back to the Council as priority areas for the public.
- 5.18 The Retrofit Centre aims to contribute to the provision of a training hub at Coleg y Cymoedd, Ystrad Mynach Campus, to provide housing providers (including Caerphilly Homes) with the skills necessary to retrofit residential properties to meet the commitment to make all homes net zero by 2050. The new training hub will also serve to bring a currently underused property on Campus back into beneficial use.
- 5.19 There is a shortage of available skilled staff in the construction sector within the Council's workforce to support the decarbonisation of current and new residential properties. The Retrofit project will support a collaborative approach to developing the skills required to meet both industry requirements and the Council's house building plans. Caerphilly Homes are exploring opportunities with Coleg Y Cymoedd to ensure that the retrofit and decarbonisation elements of the WHQS23 programme benefit directly from the proposed investment. This will include opportunities to upskill the existing workforce and ensure that the capacity and the expertise is available to inform workforce development.

Conclusion

- 5.20 The 2023-24 period spend was 74% of the allocated budget, an improvement from the 40% spend profile achieved for the financial period 2022-23 demonstrating the momentum and mobilisation of projects within the Local Investment Plan and the effectiveness of the SPF Board in managing the programme.

6. ASSUMPTIONS

- 6.1 Delivery of the programme is challenging with funding at risk if it is not committed in accordance with the in-year allocations and in line with the designated output and outcome measures.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 Refer to the Integrated Impact Assessment link,

[Link to IIA](#)

8. FINANCIAL IMPLICATIONS

- 8.1 The UK Government has recently received the end of year claim for 2023-24 and we await their decision on whether to agree to RCT's request for underspends from 2023-24 to be carried-forward into 2024-25, including all unallocated, and unspent Multiply funding.
- 8.2 Including the 2023/24 underspend, CCBC's allocation for 2024//25 is expected to be £22,448,403.56 across all four pillars.

9. PERSONNEL IMPLICATIONS

- 9.1 This programme is significant and challenging in terms of delivery and will place additional pressure on those service areas engaged in the programme, to provide the necessary staff support, in particular, Regeneration and Finance. A small team is already in place to support the administration and monitoring requirements of the programme.
- 9.2 There are around 80 staff that are currently funded by SPF employed in delivery and operational roles that will be affected to varying degrees once the programme ends in March 2025, if there is no successor programme in place.

10. CONSULTATIONS

- 10.1 Consultation responses have been included in this 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.

Author: Paul Hudson, Business Enterprise Renewal Team Leader

Consultees: Cllr Sean Morgan, Leader of Council.
Cllr. Jamie Pritchard, Deputy Leader and Cabinet Member for Prosperity, Regeneration and Climate Change.
Cllr. Eluned Stenner, Cabinet Member for Finance and Performance.
Cllr. S Cook, Cabinet member for Housing.
Cllr. Elaine Forehead, Cabinet Member for Social Care.
Cllr. Nigel George, Cabinet Member for Corporate Services, Property and Highways.
Cllr. Philippa Leonard, Cabinet Member for Planning and Public Protection.
Cllr. Chris Morgan, Cabinet Member for Waste, Leisure and Green Spaces.
Cllr. Carol Andrews, Cabinet Member for Education and Communities.
Cllr. Gary Johnston, Chair of Corporate and Regeneration Scrutiny Committee.
Cllr. Amanda McConnell, Vice Chair of Corporate and Regeneration Scrutiny Committee.
Dave Street, Deputy Chief Executive.
Mark S. Williams, Corporate Director for Economy and Environment.
Richard Edmunds, Corporate Director of Education and Corporate Services.
Stephen Harris, Head of Financial Services and Section 151 Officer.
Rob Hartshorn, Head of Public Protection, Community and Leisure Services.
Rhian Kyte, Head of Regeneration and Planning.
Liz Lucas, Head of Customer and Digital Services.
Marcus Lloyd, Head of Infrastructure.
Nick Taylor Williams, Head of Housing.
Allan Dallimore, Regeneration Services Manager.
Robert Tranter, Head of Legal Services/Monitoring Officer.
Sue Richards, Head of Education Planning and Strategy.
Lynne Donovan, Head of People Services.
Ian Raymond, Principal Project Officer.
Dave Roberts, Principal Group Accountant.

Appendix 1: 2023-24 Summary Claim Submitted.

Appendix 2: WLGA Letter to Secretary of State for DLUHC

Appendix 2A – Response letter from Secretary of State for DLUHC

Appendix 3: Year End Bulletin.

Appendix 4: Outline list of projects funded by UKSPF.