

Regeneration and Property Committee	
Meeting Date	19 th January 2023
Report Title	UK Shared Prosperity Fund and the Rural England Prosperity Fund - Delivery
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Joanne Johnson, Head of Regeneration, Economic Development and Property
Lead Officer	Kieren Mansfield, Economic Development and External Funding Manager
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To agree the outline scheme of delivery for projects in the UKSPF Local Investment Plan and REPF Addendum, as set out at Appendix 1. 2. To agree that the operation of grants to third parties is based on the principles set out at paragraph 3.3 3. To agree that grants to third parties be approved by the Head of Regeneration, Economic Development and Property. 4. To agree that the Head of Regeneration, Economic Development and Property is delegated authority to submit change requests to government regarding the local UKSPF and REPF programme. 5. To agree to the formation and political membership of a Member Working Group to support the Head of Regeneration, Economic Development and Property in considering the detailed local eligibility for grants schemes; material changes to the programme and the 6-monthly substantive monitoring of the programme, required by government.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out proposals for the management of the UK Shared Prosperity Fund (UKSPF) and the Rural England Prosperity Fund (REPF). The proposals are based on the content of an Investment Plan that was required to be submitted for the main UKSPF in August 2022, with an addendum for the REPF submitted in November 2022.

- 1.2 The proposals may need to be amended or updated subject to the receipt of any further guidance or requirements from central government.

2 Background

- 2.1 The UK Shared Prosperity Fund (UKSPF) is a £2.6bn government fund covering financial years 2022/23 to 2024/25 and is the replacement for European Structural and Investment Funds. On 3rd September, government also unexpectedly launched the £110 million Rural England Prosperity Fund (REPF), which has been promoted as rural top-up to UKSPF allocations. Swale received funding allocations from both funds of £1,169,496 and £502,995 respectively.
- 2.2 To access the UKSPF allocation, the Council was required to submit a Local Investment Plan in August 2022. This outlined the use of the funding and targeted outputs and outcomes and was informed by a Local Partnership Group and a Member Working Group. Since submission, an addendum to the Local Investment Plan for the REPF was submitted on 30th November. After positive feedback and clarifications in late December 2022, final approval of the UKSPF Local Investment Plan is anticipated in early 2023. The feedback on the REPF addendum is expected in January 2023.
- 2.3 The allocation of funding from the main UKSPF funding and the REPF top-up across each of the financial years is shown in the table below. At the time of writing this remains subject to confirmation. Money not spent in any financial year will need to be returned, although it has been indicated that some flexibility may be provided between the current and 2023/24 financial year, given government delays in approving UKSPF Local Investment Plans.

Financial Year	UKSPF Funding available	UKSPF Max Revenue	UKSPF Min Capital	REPF funding Capital
22/23	£141,929	£127,736	£14,193	£0
23/24	£283,858	£246,957	£36,901	£125,750
24/25	£743,709	£594,968	£148,741	£377,245
Total Funding allocated	£1,169,496			£502,995

- 2.4 A summary of the UKSPF projects and REPF programme areas which a Member Working Group agreed should be supported can be found at Appendix 1, alongside the indicative budget, outputs and outcomes for each, as submitted. This will be subject to any amendment to interventions required by government and potentially the timing of spend, given the delay in feedback on the UKSPF. The town centre radio scheme project has already commenced, as guidance indicates that identified projects with spend in 2022/23 can be backdated to April 2022.
- 2.5 Appendix 1 also sets out the intended approach to delivery for each part of the programme, as currently understood, and includes a mix of direct commissioning and grant awards. How this will be managed will, in part, be subject to guidance

and instruction received from government in relation to monitoring, reporting and performance, assurance and risk and subsidy control. There are also requirements around branding, publicity and equalities.

3 Proposals

Commissioning projects

- 3.1 The approach to commissioning will be guided by the Council's Contract Standing Orders, with all projects currently expected to fall beneath the £100,000 threshold that will require formal committee approval. However, a number of projects identified for 2023/24 and 2024/25 require further development. Proposed Committee and Member involvement is set out in Appendix 1.
- 3.2 The framework for delivering against the People and Skills allocation of £250,000, will be developed during 2023/24 alongside East Kent College as a lead partner. Final proposals will be subject to Committee approval.

Grant programmes

- 3.3 Appendix 1 shows both the UKSPF and the REPF will fund grant programmes. The detailed local eligibility for these grants has yet to be developed and will be subject to guidance from government. However, it is recommended that operation of the grants is based on the following principles:
- The grant programmes will be operated in tranches, for fixed periods of time and subject to open competition, with a maximum grant set.
 - Where the value of applications received exceeds the funding available, a funding round may be suspended whilst applications are considered.
 - Spend will be required within the financial year in which the grant is awarded.
 - Individual project proposals will be assessed for grant funding by Council officers against the following parameters:
 - The impact in relation to the Council's strategy framework and priorities (strategic fit)
 - The impact in relation to the prescribed outputs and outcomes adopted as measures for the Local Investment Plan and addendum. Applicants should also detail how this information will be collected and provided and what additional benefits a project will deliver, if any.
 - Deliverability – clear demonstration that the proposals can be delivered within the necessary time frame and the availability of any match funding required.
 - Value for Money, in terms of grant value sought against outputs/outcomes, other funding levered into the project and clear demonstration that the procurement of goods and services will meet the minimum requirements set by government.

- Grant applications will require applicants to detail the need for the grant, including a clear rationale as to why other funding would not be available for that part of the project for which a grant is being sought.

3.4 It is recommended that grants awarded to third parties be approved by the Head of Regeneration, Economic Development and Property, within existing delegations, taking account of the recommendations of the lead responsible officer.

Performance Management and Change Process

3.5 The Council will be required to report quarterly on progress, with more detailed monitoring reports on spend, outputs and outcomes to government every six months.

3.6 It is acknowledged that changes to the UKSPF and REPF programme may be required, over time. The guidance provides the parameters within which this can be self-managed by Swale Borough Council and the thresholds that constitute a material change, for which approval is required from government, as follows:

- A request for administration costs to exceed 4% in a lead local authority's investment plan
- Moving funding between investment priorities if the change involves moving 30% or more of the total funding allocation over the three years OR to a new bespoke intervention
- If the total outputs set out in the Investment Plan are forecast to drop by 30% or more against an investment intervention.

3.7 It is recommended that the Head of Regeneration, Economic Development and Property is delegated authority to submit change requests to government regarding the local UKSPF and REPF programme. Material changes (as defined above) will also require the agreement of the Section 151 Officer, and current guidance implies a requirement on the lead authority to consult with the Local Partnership Group also.

3.8 It is recommended that a Member Working Group for the UK Shared Prosperity Fund is formed, comprised of one representative from each group and chaired by the Chair of the Regeneration and Property Committee.

3.9 The Member Working Group would support the Head of Regeneration, Economic Development and Property in considering

- The detailed local eligibility for grants schemes
- Material changes to the programme, as defined by government, with the addition of the removal or substantial reduction in the scale of a project by more than 50% within the programme.
- The six-monthly substantive monitoring of the programme, to be made to government.

3.10 A draft terms of reference for the recommended UKSPF Member Working Group can be found at Appendix 2.

4. Alternative Options

- 4.1 Make all or set a revised threshold at which the operation of and/or changes to the programme are subject to approval by the Regeneration and Property Committee. This is not recommended. The proposals currently fall within the existing delegations to officers within the constitution and will allow for as timely management of the programme as possible. The programme as submitted was agreed with the Member Working Group and the proposals seek to involve Members in monitoring and change management.
- 4.2 Do not involve members in the management of the programme. This is not recommended as member input through the recommended working group will provide a clear political steer, particularly in respect of material changes to the programme and the use of the funding allocated.

5 Consultation Undertaken or Proposed

- 5.1 The UKSPF Local Investment Plan was agreed with the Member Working Group, with input from the Local Partnership Group formed. The REPF programme was also subject to a wider stakeholder and business consultation. There will be further consultation in respect of delivering elements of the programme, with stakeholder input indicated against projects in Appendix 1. Throughout delivery feedback from beneficiaries will also be sought, to inform future delivery.

6 Implications

Issue	Implications
Corporate Plan	The UKSPF and REPF programme sought to take a lead from the Council's adopted strategy framework, of which the Corporate Plan is the parent document. The projects identified cut across a number of priorities within the Corporate Plan.
Financial, Resource and Property	The UKSPF does not require any match funding, but implementation of this and REPF will require significant officer time across a number of service areas. With only a limited provision made for this in the funding, this will need to be managed within the existing staff resource. This may mean that significant consultancy support may be required in direct delivery of capital projects in particular. It is envisaged that the resourcing of this would have to come through UKSPF allocation, although the precise rules around the use of funding are not yet available. Once the UKSPF allocation is secured, payments will be made annually in advance, after which UKSPF projects would need to be monitored for any potential overrun on spend and managed within the confines of the agreed funding allocation for the relevant financial year.

	<p>Clear guidance about the payment schedule and whether funds can be used across financial years for REPF has not been published, but at present is assumed to be in line with the UKSPF.</p>
<p>Legal, Statutory and Procurement</p>	<p>All activity identified within the Local Investment Plan is non-statutory.</p> <p>It will be necessary to undertake significant procurements to deliver the Local Investment Plan. Direct commissions by Swale Borough Council will need to comply with Contract Standing Orders and are anticipated to be of a value that falls within officer delegations.</p> <p>Those projects undertaken by third parties, will need to follow the guidance provided and secure at least three quotes for goods and services funded by grant valued between £2,500 and £24,999, with tenders required for good or services of £25,000 or more. There will be encouragement to look to local supply chains, to secure additional benefit within the local community.</p> <p>Compliance with subsidy control will be required and where required legal advice will be sought. Grant programmes will need to ensure recipients declare their position in respect of receipt of other public funds, subsidy control, and other relevant regulatory considerations. Claw back provisions will be made in grant agreements with third parties.</p>
<p>Crime and Disorder</p>	<p>As part of the programme, the shop radio scheme is specifically designed to address concerns in the three principal town centres and at Leysdown.</p>
<p>Environment and Climate/Ecological Emergency</p>	<p>The UKSPF prospectus indicates that overall investment should demonstrate contribution to net zero and nature recovery objectives. Specific interventions within the UKSPF Local Investment Plan and REPF addendum support active travel and directly invest in carbon reduction measures in community amenities.</p>
<p>Health and Wellbeing</p>	<p>None identified at this stage</p>
<p>Safeguarding of Children, Young People and Vulnerable Adults</p>	<p>None identified at this stage</p>
<p>Risk Management and Health and Safety</p>	<p>The primary risks are associated with the final approval of the UKSPF Local Investment Plan and REPF addendum, securing the funding and the subsequent management of budgets, outputs and outcomes within and between financial years.</p> <p>The Council will be required to report quarterly on progress, with more detailed monitoring reports on spend, outputs and outcomes to government every six months. Monitoring and project</p>

	<p>management will identify the need to accelerate or make changes within the programme of activity.</p> <p>Compliance with subsidy control and any procurement and other rules set around the funding will also be necessary and is subject to further guidance and the final grant agreements for the overarching programme.</p> <p>Grant funding to third parties will have agreements that specify the rules that will need to be adhered to and the expectations in terms of outputs, outcomes, data collection and reporting. Grant agreements will be sealed to ensure that money is recoverable.</p>
Equality and Diversity	The submitted Investment Plan was required to address how the public sector equality duty had been considered. Individual interventions may need to undergo an Equalities Impact Assessment and this will be considered in advance of delivery.
Privacy and Data Protection	None identified at this stage, although the Local Investment Plan and individual interventions with individuals as beneficiaries will need to be considered in light of this.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- **Appendix 1** – UK Shared Prosperity Fund and Rural England Prosperity Fund proposals and proposed delivery arrangements.
- **Appendix 2** – Draft Terms of Reference for the UKSPF Member Working Group

8 Background Papers

- UK Shared Prosperity Fund Prospectus [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/UK_Shared_Prosperty_Fund_prospectus.pdf)
- Rural England Prosperity Fund Prospectus [Rural England Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/Rural_England_Prosperty_Fund_prospectus.pdf)
- Report to Regeneration and Property Committee, UK Shared Prosperity Fund, July 2022
- Report to Regeneration and Property Committee, Rural England Prosperity Fund, September 2022
- Swale UKSPF Local Investment Plan and the REPF addendum as submitted, available on request from kierenmansfield@swale.gov.uk.