

TITLE OF REPORT: UK Shared Prosperity Fund

REPORT OF: Peter Udall, Strategic Director, Economy Innovation and Growth

Purpose of the Report

1. To inform Cabinet on new funding streams announced by Government and to seek approval:
 - a. for Council to act as 'lead authority' for these funds and to establish governance arrangements;
 - b. to submit an Investment Plan to the Department for Levelling Up, Housing and Communities (DLUHC) to deliver this funding; and
 - c. to delegate to the Strategic Director, Economy Innovation and Growth, in consultation with the Leader and relevant Portfolio Cabinet members and the Strategic Directors, Resources & Digital and Corporate Services & Governance, to agree the detail of the Investment Plan and its delivery and to agree the terms of a resulting Memorandum of Understanding (MOU) with DLUHC.

Background

2. In Spring 22 the Government published the Levelling Up White Paper. This highlighted a range of funding opportunities that all local authorities have the opportunity to access to support their local plans, including UK Shared Prosperity Fund (UKSPF) and Multiply.
3. The primary goal of the UKSPF is to **build pride in place** and increase life chances across the UK. Underneath this goal there are 3 investment priorities:
 - Community and Place;
 - Supporting Local Business; and
 - People and Skills.
4. Gateshead has been allocated a total of £11,634,466 from 2022/23 to 2024/25, of which £1,851,491 is the minimum to be allocated for capital and up to 4% of the allocation can be used to administer the fund. An additional 20K has been allocated to enable the Council to prepare and submit the Investment Plan.
5. To secure funds Gateshead as lead authority must submit an Investment Plan to DLUHC no later than 1 August 2022.
6. Multiply is part of the UKSPF but is administered by the Department for Education (DfE). Gateshead has been allocated £1.169m and requires the development of a separate Investment Plan for bespoke adult numeracy programmes, to draw down these monies.
7. A further report will be brought to Cabinet in Autumn regarding Multiply and to agree the Multiply Investment Plan

8. Government is strongly encouraging lead local authorities to work with other authorities to agree and commission activity over a larger scale if appropriate to deliver better outcomes.

Proposal

9. It is proposed that the Council submits an Investment Plan and act as accountable body to manage and administer these funds.
10. In accordance with Government guidance, it is proposed to establish a Local Partnership Group (LPG) comprising key stakeholders, and to consult with the LPG and MPs on the Investment Plan.
11. The Council, following feedback from key stakeholders' event in May 22 and subsequent engagement with internal and external stakeholders have prioritised a range of interventions from a menu of interventions suggested by Government attached at Appendix 2.
12. The Investment Plan will detail the interventions and outcomes to be achieved, indicating the methods of delivery including where appropriate in partnership with other local authorities, although this will give sufficient flexibility to develop post submission in consultation with members as appropriate.

Recommendations

13. It is recommended that Cabinet:
 - (i) Agrees to the Council acting as 'lead authority' for these funds and to establish appropriate governance arrangements.
 - (ii) Notes the establishment of a Local Partnership Group.
 - (iii) Agrees to receive a further report on Multiply and the Multiply Investment Plan.
 - (iv) Agrees to submit an Investment Plan to DLUHC for prioritising resources required to deliver these funding bids.
 - (v) Approves a delegation to the Strategic Director Economy Innovation and Growth, in consultation with the Strategic Directors, Resources & Digital, and Corporate Services & Governance, and the Leader of the Council and relevant Cabinet members, to agree the Investment Plan, set in place arrangements to deliver the Plan and terms of a MOU with DLUHC.

For the following reasons:

- (i) To enable access to monies from the UK Shared Prosperity Fund to deliver the Council's priorities and to benefit local residents and businesses.
- (ii) To pursue opportunities to influence and collaborate with local authorities within the region.
- (iii) To enable successful delivery of activity in Gateshead that will contribute to local priorities

Policy Context

1. The activities funded by the UKSPF will directly deliver many objectives within the Thrive agenda, as follows
 - a. *Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough.* Supporting Businesses and Helping People across a range on interventions.
 - b. *Opportunities for employment, innovation and growth.* To further support business in Gateshead to provide more opportunities for employment of Gateshead residents.

Background

2. The UKSPF is a core part of Government's Levelling Up agenda, sitting alongside a range of competitive funding streams including the Levelling Up Fund, Community Ownership Fund, Towns Fund, Future High Streets Fund, and mission-based approach set out in the White Paper.
3. The principal replacement for EU Structural Funds, UKSPF is now one of the few public funding streams available to local authorities to finance local growth and regeneration that is not subject to a bidding process.
4. There is increased pressure on UKSPF because European Structural and Investment Funding (ESIF) has long sustained key elements of the business and employment support ecosystem delivered by the Council and its partners. However, this grant funding is now running out, along with other sources of national and regional investment, such as Local Growth Fund (LGF).
5. Replacement allocations under UKSPF are smaller, the strategic objectives wider, and demand for investment higher as other key funding streams start coming to an end.
6. Illustratively, the LA7 area received £498m over 7 years in the 2014-2020 European programme: £263.2m ERDF, £224.7m ESF and £10.5m EAFRD. By comparison, the LA7 area received £113m of SPF and £10.6m of Multiply funding across the 5 Lead Authorities; Gateshead, County Durham, South Tyneside, Sunderland, and North of Tyne for the current Spending Review period– a 3 year instead of a 7-year allocation.
7. The primary goal of the UKSPF is to ***build pride in place*** and increase life chances across the UK. Underneath this goal there are 3 investment priorities similar to and building upon the Community Renewal Fund (CRF):
 - Community and Place;
 - Supporting Local Business; and
 - People and Skills.
8. Gateshead has been allocated a total of £11,634,466 from 2022/23 to 2024/25, of which £1,851,491 is the minimum to be allocated for capital and up to 4% of the allocation can be used to administer the fund. An additional 20K has been allocated to enable the Council to prepare and submit the Investment Plan.

Proposal

9. It is proposed that the Council submits an Investment Plan and acts as accountable body to manage these funds on behalf DLUHC, utilising the funds available (ie additional 20K and 4% of allocation), to administer these funds and monitor the projects to ensure output and outcome delivery.
10. Officers have identified a range of key stakeholders to be members of the Gateshead Local Partnership Group (LPG), however MP's though invited to attend such meetings, will be consulted through their regular meetings with the Council.
11. The Council following feedback from key stakeholders' event in May 22 and subsequent engagement with internal and external stakeholders have prioritised a range of interventions (Appendix 2) from a list suggested by Government.
12. The Council officers in consultation with members, the LPG and MPs will submit an Investment Plan detailing the interventions and outcomes to be achieved, outlining the methods of delivery including where appropriate in partnership with other local authorities. This will give sufficient flexibility to develop post submission in consultation with members as appropriate.
13. In addition to the above within our governance structure, the Economic Leadership Team, made up of senior officers across Council will have the overall responsibility for co-ordinating delivery of the plan.

Consultation

14. Consultations have taken place with a wide range of stakeholders including an event in May 22 where key stakeholders identified and prioritised interventions aligned to local plans for the 3 investment themes of communities & place, local business support and people and skills.
15. In July 22 officers will seek the views of councillors at a members seminar on the interventions, outputs and outcomes in the draft Investment Plan
16. The Leader, Deputy Leader and Portfolio Holders have been consulted in the preparation of this report.

Alternative Options

17. If the Council does not submit an Investment Plan then it will not access UKSPF and to support local residents and businesses.

Implications of Recommended Option

18. Resources:

- a) **Financial Implications** – The Strategic Director, Resources and Digital, confirms that there are no financial implications arising directly from this report. Gateshead will be acting as lead authority and any costs relating to the delegation will be met from this fund.
- b) **Human Resources Implications** – To administer these funds will require the

recruitment of suitably qualified and experienced team.

c) Property Implications -There are no direct property implications arising from this report.

19. **Risk Management Implication** - There are no direct risk management implications arising from this report.
20. **Equality and Diversity Implications** - Delivery of UK Shared Prosperity Fund will potentially help address inequalities in employment and income.
21. **Crime and Disorder Implications** – - Delivery of UK Shared Prosperity Fund will potentially have a beneficial impact on the reduction of crime and disorder on residents
22. **Health Implications** - Delivery of UK Shared Prosperity Fund will potentially have a beneficial impact on health and wellbeing of residents.
23. **Climate Emergency and Sustainability Implications** - Delivery of UK Shared Prosperity Fund will potentially have a positive impact on tackling climate change.
24. **Human Rights Implications** - There are no human rights implications arising from this report.
25. **Ward Implications** - All

Background Information

26. [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672222/UK_Shared_Prosperty_Fund_prospectus.pdf)