

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 5 January 2023
<b>Subject:</b>	UK Shared Prosperity Fund		
<b>Report of:</b>	Executive Director (People)	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member – Communities and Housing; Cabinet Member - Regeneration and Skills; Cabinet Member – Regulatory, Compliance and Corporate Services; and Cabinet Member – Health and Wellbeing		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

Following Government approval of the Investment Plan for the UK Shared Prosperity Fund allocations to the Liverpool City Region, this report outlines the allocations of funding to Sefton Council for local authority led elements of that Investment Plan, seeking approval for acceptance of the grant funding identified herein, and for delegation of the finalisation of delivery plans to the appropriate Cabinet Members and Executive Officers.

### Recommendation(s):

Cabinet is recommended to:

- (1) Delegate the completion of the Grant Funding Agreements for the allocations herein totalling £1,195,770 to the Chief Executive and the Executive Director of Corporate Resources and Customer Services, in consultation with the Cabinet Member for Communities and Housing, Cabinet Member for Health and Wellbeing, Cabinet Member for Regeneration and Skills, and Cabinet Member for Regulatory, Compliance and Corporate Services;
- (2) Note that any variations to these allocations will approved in accordance with the Financial Procedure Rules; and
- (3) Grant delegated authority to the Executive Director (People) and Executive Director (Place), according to the funding strands identified, in consultation with the Cabinet Members for Communities and Housing, for Health and Wellbeing and for Regeneration and Skills to approve and submit the associated delivery plans to meet the UK SPF submission requirements. All schemes will be approved in accordance with the Financial Procedure Rules.

Cabinet recommendation to Council to:

- (1) Approve a supplementary revenue estimate of £1,195,770 which will be fully funded by the UK Shared Prosperity Fund as outlined in this report.

**Reasons for the Recommendation(s):**

Sefton Council has worked with other local authorities in the Liverpool City Region (LCR), as well as the Combined Authority and a range of external stakeholders, to develop and submit the Investment Plan for use of the UK Shared Prosperity Fund allocation to the LCR. While some aspects of the delivery plan are to be delivered at a regional level, there will also be elements of the plan to be delivered by each individual local authority, and this report and its recommendations relate to these funding allocations to Sefton Council, and the delivery plans to be developed and submitted by the Council.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

The alternative of not accepting the UK Shared Prosperity Fund was not considered.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

All revenue costs are addressed by the funding allocations. There are no match funding requirements of the Council.

**(B) Capital Costs**

All capital costs are addressed by the funding allocations. There are no match funding requirements of the Council.

**Implications of the Proposals:**

**Resource Implications (Financial, IT, Staffing and Assets):**

All resource requirements are addressed by the funding allocations to the Council, or where required by existing Council resources and budgets.

**Legal Implications:**

There are no legal implications.

**Equality Implications:**

There are no equality implications relating to the acceptance of the grant funding itself. The equality implications of each project within each delivery plan will be identified and mitigated (where applicable) via an Equality Impact Assessment associated with that project.

**Climate Emergency Implications:**

The recommendations within this report will	
Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

Among the workstreams to which funding has been allocated is Green, Resilient and Safe Communities, which would present opportunity for positive climate impact. Further details will be developed within the delivery plans for the projects within this funding stream.

**Contribution to the Council's Core Purpose:**

<p>Protect the most vulnerable:          UK Shared Prosperity Fund (UK SPF) includes allocations to Green, Resilient and Safe Communities; Support for the Voluntary and Community Sector; and Employment and Skills Support. All of these support protection of the borough's most vulnerable.</p>
<p>Facilitate confident and resilient communities:          UK Shared Prosperity Fund (UK SPF) includes allocations to Green, Resilient and Safe Communities; Local Culture, Arts and Heritage; Support for the Voluntary and Community Sector; and Employment and Skills Support. All of these support facilitation of confident and resilient communities.</p>
<p>Commission, broker and provide core services:          The projects within delivery plans will complement and support delivery of core council services.</p>
<p>Place – leadership and influencer:          UK Shared Prosperity Fund (UK SPF) includes allocations to Green, Resilient and Safe Communities; Local Culture, Arts and Heritage; Support for the Voluntary and Community Sector; and Employment and Skills Support. All of these support place leadership.</p>
<p>Drivers of change and reform:          N/A</p>
<p>Facilitate sustainable economic prosperity:          UK Shared Prosperity Fund (UK SPF) includes allocations to Business Support; Town Centres; and Employment and Skills Support. All of these support facilitation of sustainable economic prosperity.</p>
<p>Greater income for social investment:          UK Shared Prosperity Fund (UK SPF) includes allocations to Green, Resilient and Safe Communities; Local Culture, Arts and Heritage; and Support for the Voluntary and Community Sector.</p>
<p>Cleaner Greener:          UK Shared Prosperity Fund (UK SPF) includes allocations to Green, Resilient and Safe</p>

Communities, which aligns with focus on environmental sustainability.

## **What consultations have taken place on the proposals and when?**

### **(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD.7067/22) and the Chief Legal and Democratic Officer (LD.7567/22) have been consulted and any comments have been incorporated into the report.

### **(B) External Consultations**

There has been proactive engagement in a variety of consultation processes and structures, including the Local Partnership Group (comprising a range of external stakeholders, led by the Liverpool City Region Combined Authority).

## **Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

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## **Appendices:**

There are no appendices to this report.

## **Background Papers:**

There are no background papers available for inspection.

## 1. Introduction

- 1.1 The UK Shared Prosperity Fund (UKSPF) is the government's domestic replacement for the European Structural and Investment Programme (ESIF) which the UK continues to participate in until 2023. The ESIF programme was essential for local regeneration, employment and skills and has been routinely accessed in Sefton for many years to support a host of regeneration, community development and employment-based activities.
- 1.2 The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's 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. It is also suggested that this means many more local authority areas will be given an allocation of UKSPF than were able to access EU funds on the basis of economic and social need.

## 2. Liverpool City Region (LCR) allocations

- 2.1 The UK SPF is allocated to Mayoral Combined Authorities where these are in place, as in our area. Across the Liverpool City Region (LCR), a total amount of **£52,775,501** is available, as follows:

	2022/23	2023/24	2024/25	Total*
<b>Award including Multiply</b>	£7,917,995	£13,693,498	£31,144,008	£52,755,501
<b>Award excluding Multiply*</b>	£5,385,960	£10,771,919	£28,222,428	£44,380,307
<b>Revenue*</b>	90% (£4.85m)	87% (£9.37m)	80% (£22.6m)	83% (£36.82m)
<b>Capital</b>	10% (£0.54m)	13% (£1.40m)	20% (£5.6m)	17% (£7.54m)

- 2.2 Multiply refers to the national numeracy initiative which provides funding for improving the nation's maths competency and is rolled together with UKSPF as part of Levelling Up.
- 2.3 The allocation for the first tranche of UKSPF will flow through the Liverpool City Region Combined Authority. The following table indicates how the LCR total reflects the accumulated nominal allocations per Local authority area, with Sefton receiving 16.8% of the total. It should be noted that allocations within the Investment Plan, are by activity area rather than by local authority area, but the split below is included for illustrative purposes.

<b>UKSPF allocations by LA</b>		
	Funding allocation	Proportion
Halton	£3,493,101	7.9%
Knowsley	£4,500,786	10.1%
Liverpool	£14,721,188	33.2%
Sefton	£7,451,277	16.8%
St Helens	£5,409,403	12.2%
Wirral	£8,804,552	19.8%
Total	£44,380,307	100.0%

2.4 The UKSPF is composed of three Investment Priorities , reflected in the table below:

	Year 1	Year 2	Year 3	Total
<b>Communities and Place</b>	£3.05m	£4.08m	£3.78m	£10.91m
<b>Supporting Local Business</b>	£2.03m	£6.31m	£8.84m	£17.18m
<b>People and Skills</b>	£0.00m	£1.45m	£13.05m	£14.5m
<b>Total</b>	<b>£5.08m</b>	<b>£11.84m</b>	<b>£25.67m</b>	<b>£42.59m</b>

2.5 The UKSPF will be distributed through a combination of commissions and project calls and this will be determined as part of the process of finalisation of the Investment Plan and the Delivery Plans. Commissions include working with Local Authorities and local stakeholders to identify a lead body to deliver on projects with activity, expenditure and deliverables monitored at a Local Authority level: this will be underpinned by a contract and effectively managed. Project Calls will include working with Local Authorities and the LCR Local Partnership Group, to agree a specification for the required projects and the LCR CA will operate a competitive process to identify the most suitable provider(s), with input on strategic fit on plans. Funding will therefore be through tendering and project sponsors will be required to with report on activity, expenditure and deliverables at a Local Authority level as well as city region level.

2.6 An allocation of funding will be provided to each Council to create capacity for management of UK Shared Prosperity Fund activity and link to the UKSPF management team located within the LCR-CA. The remainder of management costs will enable the LCR – CA to discharge its lead body responsibilities. A formal governance approach will be agreed with Local Authorities to underpin decision-making and performance management.

2.7 Allocations by workstream and key deliverables are included below.

## Proposed allocation for Communities and Place - £10.91m

	<b>1. Green, resilient and safe communities</b>	<b>2. Local cultural, arts and heritage</b>	<b>3. Supporting the voluntary and community sector, including digital and financial inclusion</b>
Allocation (£)	£3.825m	£2.4m	£4.685m
Allocation (%)	35%	22%	43%
Years	1, 2 and 3	1, 2 and 3	1, 2 and 3
Description	Support for investments to make town and district centres more resilient; greening of local communities and neighbourhoods, including direct involvement of residents	Utilising local culture, arts and heritage to help regeneration, including direct involvement of residents	Projects which support the CVS sector to thrive and become more resilient, including support for cost of living crises and digital inclusion
Route to delivery	Work with Local Authorities to identify projects which design out crime; develop call for social action to develop resilient local communities (green capital, food, youth engagement)	Work with LAs and the Cultural, arts and heritage sector to determine appropriate delivery routes	Work with CVS infrastructure organisations and LAs to agree appropriate delivery routes

## Key Deliverables under Communities and Place

<b>Communities &amp; Place Indicative Outputs and Outcomes</b>			
	<b>UKSPF funding</b>	<b>Outputs</b>	<b>Outcomes</b>
<b>Green, resilient safe communities</b>	<b>£3,825,000</b>	Neighbourhood improvements undertaken Rehabilitated Land Public realm created or improved Amount of green/blue space created or improved (m2) Trees planted Volunteering opportunities Projects supported	*Increased footfall (% increase) *Improved perception of facilities and amenities *Improved perception of safety (% increase) *Reduction in neighbourhood crime (% decrease) *Volunteering numbers as a result of support

<b>Local cultural, arts and heritage</b>	<b>£2,400,000</b>	<ul style="list-style-type: none"> <li>*Rehabilitated premises</li> <li>*Facilities supported/created</li> <li>*Organisations received grants</li> <li>*Local events or activities supported</li> <li>*Volunteering opportunities</li> <li>*Projects supported</li> </ul>	<ul style="list-style-type: none"> <li>*Increased footfall (% increase)</li> <li>*Increased visitor numbers (% increase)</li> <li>*Number of community-led arts, cultural, heritage and creative programmes as a result of support</li> <li>*Volunteering numbers as a result of support</li> </ul>
<b>Supporting VCS, including digital and financial inclusion</b>	<b>£4,685,000</b>	<ul style="list-style-type: none"> <li>*Organisations receiving non-financial support</li> <li>*Organisations in receipt of grants</li> <li>*Households receiving support</li> <li>*Facilities supported/created</li> </ul>	<ul style="list-style-type: none"> <li>*Number of new or improved community facilities as a result of support</li> <li>*Number of premises with improved digital connectivity</li> </ul>

**Proposed allocation for Supporting Local Business - £17.18m**

**Supporting Local Business – Indicative Outputs and Outcomes**

	<b>UKSPF funding</b>	<b>Outputs</b>	<b>Outcomes</b>
<b>Business Support</b>	<b>£11,800,000</b>	<ul style="list-style-type: none"> <li>*Number of businesses receiving non-financial support</li> <li>*Number of businesses receiving grants</li> <li>*Number of events/participatory programmes</li> <li>*Number of businesses engaged in new markets</li> </ul>	<ul style="list-style-type: none"> <li>*Jobs created</li> <li>*Number of new businesses created</li> <li>*Increased amount of investment</li> <li>*Number of businesses engaged in new markets</li> <li>*Number of businesses increasing their export capability</li> </ul>
<b>Town Centres</b>	<b>£1,500,000</b>	<ul style="list-style-type: none"> <li>*Number of local markets supported</li> <li>*Number of businesses receiving non-financial support</li> </ul>	<ul style="list-style-type: none"> <li>*Jobs created</li> <li>*Number of new businesses created</li> <li>*Improved perceptions of markets (% increase)</li> <li>*Increased number of businesses supported</li> </ul>



<b>Innovation</b>	<b>£3,875,000</b>	<ul style="list-style-type: none"> <li>*Number of businesses receiving grants</li> <li>*Number of businesses receiving non-financial support</li> </ul>	<ul style="list-style-type: none"> <li>*businesses introducing new to firm products</li> <li>organisations engaged in new knowledge *transfer businesses adopting new to the firm tech/processes</li> <li>*new to market products</li> <li>*businesses with improved productivity</li> <li>R&amp;D active businesses</li> <li>*businesses adopting new/improved products/services</li> </ul>
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### Key Deliverables under Supporting Local Business

<b>Supporting Local Business – Indicative Outputs and Outcomes</b>			
	<b>UKSPF funding</b>	<b>Outputs</b>	<b>Outcomes</b>
<b>Business Support</b>	<b>£11,800,000</b>	<ul style="list-style-type: none"> <li>*Number of businesses receiving non-financial support</li> <li>*Number of businesses receiving grants</li> <li>*Number of events/participatory programmes</li> <li>*Number of businesses engaged in new markets</li> </ul>	<ul style="list-style-type: none"> <li>*Jobs created</li> <li>*Number of new businesses created</li> <li>*Increased amount of investment</li> <li>*Number of businesses engaged in new markets</li> <li>*Number of businesses increasing their export capability</li> </ul>
<b>Town Centres</b>	<b>£1,500,000</b>	<ul style="list-style-type: none"> <li>*Number of local markets supported</li> <li>*Number of businesses receiving non-financial support</li> </ul>	<ul style="list-style-type: none"> <li>*Jobs created</li> <li>*Number of new businesses created</li> <li>*Improved perceptions of markets (% increase)</li> <li>*Increased number of businesses supported</li> </ul>
<b>Innovation</b>	<b>£3,875,000</b>	<ul style="list-style-type: none"> <li>*Number of businesses receiving grants</li> <li>*Number of businesses receiving non-financial support</li> </ul>	<ul style="list-style-type: none"> <li>Number of:</li> <li>*businesses introducing new to firm products</li> <li>*organisations engaged in new knowledge transfer businesses adopting new to the firm tech/processes</li> <li>*new to market products</li> </ul>

			*businesses with improved productivity R&D active businesses *businesses adopting new/improved products/services
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**Proposed allocation for People and Skills - £14.5m**

	Theme		
	CVS continuation funding	1. Employment Support	2. Skills support
Allocation (£)	£1.45m	£11.85m	£1.2m
Allocation (%)	10%	82%	8%
Years	2	3	3
Description	Providing funding to enable CVS organisation to continue services and capacity in the gap between ESF funding ending and UKSPF funding starting	Additional employment support to help economically inactive people into work, plus targeted employment support for people with protected characteristics in addition to capacity to support large scale recruitments and redundancies	Digital inclusion skills training; further targeted skills support in addition to existing £65m pa skills investment; and enhancing the careers offer locally with updated materials and events.
Route to delivery	Grant to relevant organisations	Commission elements of service delivery, including via Local Authorities and open call for additional provision	Commissioning of activity based upon existing delivery structures and calls for further activity

The former ESF funded projects identified for potential continuation funding under UKSPF are the following:

- Directions (The Women's Organisation )
- New Horizons (The Women's Organisation)
- Go Further (The Princes Trust)
- Include-IT Merseyside VOLA
- Merseyside Enterprising Young People
- LCR Talent Match ( Merseyside Youth Association)
- Individualised Employment Support (The Salvation Army)

## Key Deliverables under People and Skills

People and Skills – Indicative Outputs and Outcomes			
	UKSPF funding	Outputs	Outcomes
<b>CVS Continuation Funding</b>	<b>£1,450,000</b>	In line with Employment and/or Skills dependent on nature of existing project.	In line with Employment and/or Skills dependent on nature of existing project.
<b>Employment</b>	<b>£11,850,000</b>	<ul style="list-style-type: none"> <li>*Number of economically inactive engaging with keyworker support</li> <li>*Number receiving support to gain/sustain employment</li> <li>*Number supported to engage in job-search</li> <li>*Number supported to access basic skills</li> <li>*Number accessing mental &amp; physical health support leading to employment</li> </ul>	<ul style="list-style-type: none"> <li>*Number in employment, inc self employment following support</li> <li>*Number sustaining engagement with keyworker support/additional services</li> <li>*Number engaged in job-searching following support</li> <li>*Number with basic skills (English, maths, digital and ESOL)</li> </ul>
<b>Skills</b>	<b>£1,200,000</b>	<ul style="list-style-type: none"> <li>*Number supported to access basic skills</li> <li>*Number gaining a qualification or completing a course following support</li> <li>*Number receiving support to gain a vocational licence</li> <li>*Number supported to engage in job search</li> <li>*Number taking part in work experience</li> </ul>	<ul style="list-style-type: none"> <li>*Number gaining a qualification or completing a course following support</li> <li>*Number in employment, including self-employment, following support</li> <li>*Number in education/training</li> <li>*Number economically inactive engaged in mainstream education/training</li> <li>*Number engaged in job-search</li> <li>*Number familiarised with employer's expectations</li> </ul>

2.8 A key issues raised by both the LCR CA and Sefton Council is the lower level of funding than previously available for such programmes and projects. The following table indicates the comparable allocations received into the LCR under EU structural funds and the level expected under UKSPF. This indicate that on a per year basis, it can be expected that less than a third the value of funding previously received under ESF will be available. The services and projects most affected by the reduction in funding will be those which have been more reliant on the EU funds. In Sefton these have been business support projects operated by Invest Sefton and employment support projects through Sefton@work. The following table gives an indication of the scale of the funding reduction under UKSPF:

	Funding period	Overall funding	Per funding year
<b>Previous EU programmes</b>			
<b>2007-2013</b>	2007-2015	£417m	£52m
<b>2014-2020</b>	2014-2023	£250m	£27.8m
<b>UKSPF</b>			
<b>Including multiply</b>	2022-2025	£52.7m	£17.6m
<b>Excluding multiply</b>	2022-2025	£44.4m	£14.8m

### 3. Sefton Council Allocations

3.1 From the allocations, workstreams and deliverables outlined in section 2 above, the following allocations are to be made to Sefton Council for delivery:

- Green, Resilient and Safe Communities      £551,552
- Local cultural arts and heritage              £251,850
- Town Centres                                        £251,850
- UK SPF Programme Management              £140,518
- **Total**    **£1,195,770**

3.2 Sefton's responsibilities in relation to delivery of the above will include:

- Feeding into the CA's UKSPF Programme management and providing updates on LA Investment Plan progress and supporting risk management;
- Providing adequate resourcing to UKSPF, including key contact for CA UKSPF requests, responding to DLUHC requests by set deadlines; and
- Having arrangements in place to:
  - evidence, monitor and evaluate projects
  - sign off financial claims by section 151 officer
  - manage project risk, including risk registers
  - to prevent breach of procurement rules, policies or procedures or Legal, including Subsidy Control and GDPR
  - to prevent Fraud including Grant Funding Fraud / Misuse of Government Funds / Bribery

3.3 Delivery plans against each of the three areas above will be finalised during January 2023, for submission to the LCR CA and thereafter to Government. This provides limited time to obtain the necessary approval of a Supplementary Revenue Estimate in line with the Financial Procedure Rules from Council. Therefore, work will take place alongside approval being sought. Should Council not approve, then work will cease immediately, however, there will be a risk that the associated funding would be lost.

- 3.4 The timescales presented mean that decisions regarding spending will need to be made quickly and will fall outside of the normal committee cycle. Therefore, Cabinet approval is sought for delegation of the finalisation of these plans to the Executive Director (People) and Executive Director (Place), in consultation with the Cabinet Members for the respective areas of focus, to approve proposals. Any decisions will then be ratified in accordance with the Financial Procedure Rules as appropriate.