

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF PROJECTS AND REGENERATION	EXECUTIVE COMMITTEE	4 JULY 2023	5
FULLY FUNDED BUDGET INCREASE – UK SHARED PROSPERITY FUND			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

In April 2022 the Government announced a new £2.6billion investment programme titled UK Shared Prosperity Fund (UKSPF), to replace old EU structural funding. As part of the funding allocation process, the Council prepared and submitted an Investment Plan in August 2022 which was then approved by Government in December 2022.

Fylde's allocation of UKSPF monies amounts to £2.6m, to be defrayed over 3 financial years until the end of 2024/2025. An Investment Plan details where the funding will be concentrated across the 3 investment themes as set out the Government's UKSPF guidance documents. The Investment Plan has been approved by the UKSPF Partnership Group, which brings together a cross section of key stakeholders including representatives from businesses, elected members, education and skills, and the community sectors.

In January 2023, Council approved a fully funded addition to the Council's Capital Programme for 2022/23 in the sum of £82,500 and a fully funded addition to the Council's revenue base budget of £258,288 to the 'UK Shared Prosperity Funding' scheme, to be met from external funding provided by the Department of Levelling Up, Housing and Communities (DLUHC).

This report provides the latest update on the UKSPF programme and recommends an in-year increase to the Council's Capital Programme for 2023/24 of £267,500 and an in-year increase to the revenue base budget for 2023/24 of £374,076, and a budget increase to the Capital Programme for 2024/25 of £714,214 and a budget increase to the revenue base budget for 2024/25 of £966,714, all of which are fully funded via the UKSPF allocation.

RECOMMENDATION

The Executive Committee are requested to:

1. The Committee is asked to consider and recommend to Council, approval of a fully funded addition to the Council's Capital Programme in 2023/24 in the sum of £267,500 and in 2024/25 in the sum of £714,214 and an addition to the revenue base budget in 2023/24 in the sum of £374,076 and in 2024/25 in the sum of £966,714, fully funded additions to the 'UK Shared Prosperity Funding' scheme, to be met from external funding provided by the Department of Levelling Up, Housing and Communities based on the latest indicative figures provided as at 5th December 2022.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	√
Environment – To deliver services customers expect	√
Efficiency – By spending money in the most efficient way	√
Tourism – To create a great place to live and visit	√

REPORT

- The UK Shared Prosperity Fund was launched by the Government on 13th April 2022. The fund replaces old EU structural funding which was administered by unitary authorities to provide economic development and regeneration initiatives.
- The government describes the fund as *“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. It will help places right across the country deliver enhanced outcomes and recognises that even the most affluent parts of the UK contain pockets of deprivation and need support”*.
- There are 3 main investment themes contained within the UK Shared Prosperity Fund, under each of these themes a number of projects have been developed to ensure the Council achieves the outcomes and outputs expected over the lifetime of the Fund. The themes are:
 - **Communities and Place**
 - **Supporting Local Business**
 - **People and Skills**
- To access the funding allocation, lead local authorities were required to complete an Investment Plan setting out how the funding would be used. As part of the preparation of the Investment Plan, a local partnership group was formed to define Fylde’s priorities and project activity. The partnership group includes representation from across the public, private, education and third sectors.
- Fylde’s Investment Plan was submitted to Government on 29 July 2022. On the 5 December 2022 it was announced the Investment Plan had been approved and following receipt of the signed Memorandum of Understanding, year one payment was received and credited to the council’s bank account on 30 December 2022.
- Fourteen projects have been identified for delivery across Fylde under the three investment themes of the UKSPF programme, these projects will achieve the Interventions, Outcomes and Outputs expected by DLUHC as set out in the Investment Plan. A number of these projects are underway, including public realm in Lytham and supporting the visitor economy, two new business support partnerships including the North West Aerospace Alliance providing specialist expertise to the aerospace, automotive and advanced engineering and manufacturing sectors, and East Lancashire Chamber delivering their award winning ‘Chamber Low Carbon’ project to support businesses with their sustainability, reduce their energy costs and their carbon footprint.
- In order to support young people who are disengaged, also referred to as NEET (16-19 year olds not in education, employment or training), AFC Fylde Community Foundation (AFC FCF) are delivering a project which provides a range of engagement, mentoring and training opportunities with the aim of getting young people ready for work and/or training and educational opportunities.
- A contract for £62,200 was let recently to AFC FCF as an exempt contract under the qualified informal procedure for Year 2 delivery (2023-24). As the council’s contract procedure rules require, the Head of Service formally reports the letting of the contract to this committee. This procedure rule was used due to AFC FCF being the only local deliverer of this type of support identified and they had been delivering the same activity funded via European funding and was therefore at risk. Government had specifically stated that those People and Skills projects at risk due to European funding coming to an end should have provision made within local Investment Plans. AFC FCF were named as the original local deliverer within the Investment Plan submitted to Government

and had already successfully delivered the Year 1 project (Jan-March 2023) when the contract for Year 2 was awarded.

9. In addition, a Feasibility and Baseline Study has recently been commissioned to enable the Council to better understand the value and capacity of the community, voluntary, faith and social enterprise sectors who operate across the borough supporting individuals and groups, be it with basic IT skills or community transport.
10. A full breakdown of Fylde’s UKSPF projects underway and in the pipeline are attached at Appendix A.
11. Following the initial meeting of the Partnership Group on the 25 July 2022 to discuss and approve the Investment Plan, as agreed a further update was provided to the group in February 2023.
12. The first UKSPF reporting period to government ended 31 March 2023 and a full report was returned to DLUHC by the deadline of 2 May 2023. Should the report be approved, it is anticipated that Year 2 funding will be received by the end of June/early July 2023 at which point a further update will be provided to the Partnership Group.

IMPLICATIONS	
Finance	The Committee is asked to consider and recommend to Council, approval of a fully funded addition to the Council’s Capital Programme in 2023/24 in the sum of £267,500 and in 2024/25 in the sum of £714,214 and an addition to the revenue base budget in 2023/24 in the sum of £374,076 and in 2024/25 in the sum of £966,714, fully funded additions to the ‘UK Shared Prosperity Funding’ scheme, to be met from external funding provided by the Department of Levelling Up, Housing and Communities based on the latest indicative figures provided as at 5 th December 2022.
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Appendix A – UKSPF Project Progress Report (as at June 2023)