

REPORT TO: Employment Learning and Skills and Community Policy Performance Board

DATE: 20th June 2022

REPORTING OFFICER/S: Operational Director Economy, Enterprise & Property

PORTFOLIO: Employment, Learning & Skills

SUBJECT: Shared Prosperity Fund Update

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 To provide an update to the Employment, Learning and Skills and Community Policy Performance Board (ELS & C PPB) on the UK Shared Prosperity Fund and set out how this may impact on Halton.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that ELS & C PPB:

1) notes the content of the report

3.0 SUPPORTING INFORMATION

3.1 – What is the UK Shared Prosperity Fund (UKSPF)

The UKSPF is a major regeneration fund which aims to contribute to the Government's Levelling Up agenda by providing financial assistance to capital and revenue projects which boost productivity, pay, jobs and living standards by growing the private sector, especially in deprived areas, as well as growing a sense of community, local pride and belonging. It is designed to be less bureaucratic than the European funding schemes it has been designed to replace.

The UKSPF is designed specifically to replace ESIF (European Structural Investment Fund) and will run in parallel to other funding streams e.g. Levelling Up Fund. There was a commitment in the Government's 2019 manifesto that the UKSPF would match ESIF funding levels. However, for the period 2021-2027, the UK would have been allocated around £11bn in ESIF funding; current commitments through UKSPF are just £2.6bn.

Over the three financial years currently committed, the UKSPF will provide £2.6 billion of public funding; confirmed funding for 2022-23 is £400m, followed by £700m for 2023-24 and £1.5 billion for 2024-25. The first payments are due to be made in October 2022.

The UKSPF will be administered at a local level, with lead authorities receiving an allocation to manage, including assessing and approving applications, processing payments and day-to-day monitoring – see section 3.2.

Unlike Levelling Up Fund and Community Renewal Fund, the UKSPF has been allocated via a formula by DLUHC (Dept for Levelling Up, Housing and Communities) – 70% on a per capita basis and 30% using a needs-based index which takes into account factors such as productivity, household income, skills and productivity.

The role of awarding funding has yet to be finalised, but it is understood to be likely to include input from MPs and local stakeholders. Recipients are likely to include local authorities, public sector bodies, higher and further education institutions, private sector companies, voluntary organisations and registered charities.

There are a number of proposed interventions, including grants, commissioning, procurement and in-house provision.

UKSPF has three Investment Priorities:

- ~ community and place
- ~ supporting local businesses
- ~ people and skills

Funding for the first two strands will be available once investment plans are approved; funding for people and skills will not be available until 2024-25.

3.2 – What does this mean for Halton?

The current arrangements regards UKSPF for Halton are that funding will be filtered through the Combined Authority (CA). The CA is due to receive £52.8 million of which it is anticipated Halton will draw down around £6million. Some of the £52m - £8.4m - will be topsliced for Multiply, the Government's programme to improve numeracy skills. The funding has been allocated incrementally over the three year period: £6.8m Year 1, £11.9m Year 2 and £25.6m Year 3 and is predominantly for revenue funding. The CA may retain up to 4% for delivery of the programme.

The CA needs to submit an Investment Plan setting out how it intends to use and deliver the funding on local need and developed in conjunction with local stakeholders. Investment Plans should include local context, outcomes and interventions and delivery methods, including governance, spend profiles, capacity and resource and compliance. Plans should be delivered by 1st August 2022.

- Consultation with a wide range of stakeholders through the development of a Local Growth Partnership will happen during June, consulting with MPs, Local Growth Partnership and other relevant existing forums. Open events will also be held to ensure all partners missed through existing channels have the opportunity to feed in. An Engagement Plan has been developed for this aspect.

The mechanisms for draw down are yet to be agreed; options include fund in-house, commission or call for expressions of interest.

4.0 POLICY IMPLICATIONS

None

5.0 FINANCIAL IMPLICATIONS

Whichever approach for allocating resources is adopted, it is recognised that the resources available are significantly less than in previous programmes and, therefore, more emphasis will need to be placed on evaluating what has worked successfully. It is probable that some stakeholders, particularly from the community sector will be required to work imaginatively to pool and maximise the resources available.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

There is an opportunity to draw down UKSPF to help deliver on HBC's priorities, but in particular employment, learning and skills.

6.1 Children and Young People in Halton

6.2 Employment, Learning and Skills in Halton

6.3 A Healthy Halton

6.4 A Safer Halton

6.5 Halton's Urban Renewal

7.0 RISK ANALYSIS

None

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.