

NORTH SOMERSET COUNCIL DECISION



DECISION OF: COUNCILLOR MARK CANNIFORD. THE EXECUTIVE MEMBER FOR PLACEMAKING AND ECONOMY

WITH ADVICE FROM: THE ASSISTANT DIRECTOR OF PLACEMAKING & GROWTH, IN ACCORDANCE WITH DELEGATED AUTHORITY 22/23 DP 153, AND THE S151 OFFICER

DECISION NO: 22/23 DP 411

SUBJECT: UK SHARED PROSPERITY FUND: YEAR 2 BUDGET APPROVALS

KEY DECISION: YES

REASON: THE DECISION RESULTS IN AN INCREASED GROSS REVENUE BUDGET OF BETWEEN £500,000 AND £1,000,000

BACKGROUND:

The UK Shared Prosperity Fund (UKSPF) was introduced by the Department for Levelling Up, Housing and Communities (DLUHC) to replace European Structural funding. £2.6 billion is being allocated across the UK to fund local regeneration, employment, and skills.

UKSPF focuses on delivery of activities which support three investment priorities:

- Community and Place
- Supporting Local Business
- People and Skills

North Somerset's total allocation of core UKSPF is £2,516,852. This is delivered over three years (April 2022 – April 2025).

Year 2 funding will be received and ready to spend from April 2023. Our Year 2 allocation is £610,886, of which £531,471 is revenue. There will also be £30,000 of revenue from the Place Directorate reserves to fund Broadway Lodge, whose funding runs out in March 2023. This will be paid back from the UKSPF Year 3 allocation.

On August 1, 2022, North Somerset Council (NSC) submitted the UKSPF Investment Plan to DLUHC, indicating NSC's priorities for delivery which were developed in partnership with local stakeholders. Further information can be found in decision number 22/23 DP 175.

DECISION:

1. To approve receipt of the UKSPF Year 2 allocation.

2. To authorise a corresponding increase in North Somerset Council's gross revenue budget of £561,471 (£531,471 from UKSPF and £30,000 from Place Directorate reserves – ZXB404) for financial year 2023/24.

REASONS:

1. The report from the Executive resolution on 27th April 2022 delegated approval "to the Directors of Place and Corporate Services to submit an Investment Plan to the Government in respect of the UK Shared Prosperity Fund."
2. This UKSPF Investment Plan was submitted to DLUHC on 1 August 2022, and approved by DLUHC on 5 December 2022. It stipulates that our revenue allocation for Year 2 will be £531,471.
3. It has been agreed with the Finance Business Partner for Place that we can use £30,000 from the Place Directorate reserves to fund Broadway Lodge, paying ourselves back from the Year 3 UKSPF allocation.
4. It is important to begin delivery of UKSPF Year 2 projects as soon as possible from April 2023, in order to deliver our UKSPF outcomes.

OPTIONS CONSIDERED:

1. A revised and alternative allocation amount - rejected as our allocation is fixed and was approved by DLUHC as part of the UKSPF Investment Plan.

FINANCIAL IMPLICATIONS:

There will be an increase in the council's gross revenue budget for 2023/24 of **£561,471**

Costs

The costs relating to this decision are revenue and will be spent during the financial year 2023/24. The allocation will be spent in the following way:

- Projects within the *Community & Place* investment priority:
 - Small grants for community projects
- Projects within the *Supporting Local Business* investment priority
 - Work to support the visitor economy
 - Universal Business Support
 - Support for businesses to decarbonise
- NSC staffing costs
 - Programme Manager
 - Business Support Officer
 - Employment & Skills Officer
 - Ranger
 - NEET Participation Officer
 - Comms Officer
- Management and administration costs

Precise figures are being drafted and will be approved subject to officer scrutiny and a Director's Decision.

For more information on the proposed projects and posts, please see Appendix 1.

Funding

The primary funding source is North Somerset Council’s UKSPF Year 2 revenue allocation (£531,471) as set by the government. This is due to be received in April 2023.

£30,000 of the revenue funding will be sourced from the Place Directorate reserves (ZXB404) and paid back from the UKSPF Year 3 allocation in 2024/25.

LEGAL POWERS AND IMPLICATIONS

Any commissioning, procurement or fund allocation of the UKSPF Year 2 allocation will be delivered in line with statutory and legal requirements.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The UKSPF Year 2 allocation will support investment in climate and environmental priorities, including improvements to local green spaces and investment to help businesses decarbonise.

CONSULTATION

Investment Plan consultation details can be found in decision number 22/23 DP 175. The specific Year 2 project allocations will receive scrutiny through the UKSPF Project Board, during January 2023 as part of a Director’s Decision.

RISK MANAGEMENT

The key risks associated with this decision paper are outlined below:

Risk	Mitigation
Failure to approve receipt of the Year 2 allocation: this would jeopardise Year 2 projects, depriving the local area of investment, and would put at risk our Year 3 allocation.	In light of the paper’s recommendations and the consultation behind the proposals, approval of this paper would eliminate this risk.
Risk to receipt of UKSPF Year 3 allocation if Year 2 funding is not fully spent – this would mean we cannot pay back the £30,000 borrowed from Place Reserves, and projects in Year 3 would be unable to proceed.	Programme management processes are in place to organise and monitor project process and ensure they stay on track and deliver to agreed timescales. Where issues arise, structures are in place to manage this. DLUHC have stated that where an allocation cannot be wholly spent in-year, it won’t affect future funding if we can demonstrate a clear plan to spend the funding during the following year.
Reputational risk to the council and programme if expectations on the delivery of the funding are not managed.	A dedicated Comms resource is being employed to develop a coherent and anticipatory comms strategy for the programme. This will include mitigating project threats and harnessing opportunities. There will be clear comms on where money is being spent and the limitations.

EQUALITY IMPLICATIONS

An Equality Impact Assessment was undertaken for the UKSPF Investment Plan, which covers this Year 2 allocation. Details can be found in decision number 22/23 DP 175.

CORPORATE IMPLICATIONS

UKSPF funding and its Levelling Up objectives will support the delivery of corporate strategic priorities, particularly around making North Somerset a thriving and sustainable place and being a council which empowers and cares about people.

It has been recognised that additional corporate services will be needed to deliver the programme. There will be dedicated Communications and Finance support.

APPENDICES

N/A

BACKGROUND PAPERS


[22/23 DP 175](#)

[22/23 DP 202](#)

[UKSPF Prospectus](#)

SIGNATORIES:

DECISION MAKER(S):

Signed:  Executive Member for Placemaking and Economy

Date: 23 February 2023

WITH ADVICE FROM:

Signed:  Assistant Director for Placemaking and Growth

Date: 23 February 2023

Signed:  S151 Officer

Date: 23 February 2023

APPENDIX 1 – YEAR 2 REVENUE PROJECT AND POST DETAILS

Project / Post	Summary
Community Grants and Projects	<p>A small grants scheme, providing grants of up to £10k for individual organisations or up to £30k for partner organisations. Projects can cover varying themes, including: capacity building; social action projects; regeneration projects; cultural, arts and heritage projects.</p> <p>Some commissioned community work is also being undertaken to improve the Public Rights of Way system, and to support households to improve their energy efficiency.</p>
Visitor economy support	Funding to support and enhance the local visitor economy. The exact nature of this support is still being considered, but it will factor in the potential for cross-organisational collaboration (e.g. Weston Town Council), alignment with other funding streams (e.g. LUF), and value for money.
Universal Business Support (UBS)	Procurement of an organisation to deliver UBS to local people, enabling start up and growth of businesses.
Decarbonisation support	In support of a capital grants scheme for businesses, revenue funding will be directed towards enabling businesses to undertake decarbonisation studies. These studies measure a business' carbon emissions and energy efficiency, and make recommendations as to what measures would be best to implement to reduce emissions.
UKSPF Programme Manager	Post to oversee and coordinate the council's UKSPF programme for its duration. Includes setting up and maintaining reporting structures, interpreting government guidance, monitoring project progress, liaising with and reporting to central government etc.
Business Support Officer	A post to oversee business support elements of UKSPF, including UBS and the Rural England Prosperity Fund capital business grants.
NEET Participation Officer	A post working with care leavers to enable them to access training and sustainable employment opportunities.
Employment & Skills Officer	A post primarily supporting the NEET Participation Officer to link up care leavers with local businesses. In Year 3 of UKSPF, this post will be working on additional employment and skills projects.
Ranger	A post part-funded by UKSPF, which will have a focus towards the improvement of local green and blue spaces.
Comms Officer	A post part-funded by UKSPF (2 days per week equivalent) to lead on the programme's communications strategy.
M&A Costs	Additional funding for management and administration requirements (e.g. procurement of an external evaluator)