

REPORT TO EXECUTIVE

Date of Meeting: 5 July 2022

REPORT TO COUNCIL

Date of Meeting: 19 July 2022

Report of: Net Zero Exeter & City Management

Title: UK Shared Prosperity Fund, Exeter allocation

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To provide members with an overview of the aims of the UK Shared Prosperity Fund (UKSPF), what the fund can be used for, how the City Council can access Exeter's allocation, how the City Council will manage our allocation and proposals for Exeter.

2. Recommendations:

That Executive recommends and Council approves:

2.1 That officers develop an investment plan to deliver the aims of the UKSPF, which will release Exeter's UKSPF allocation of £1,403,000;

2.2 That approval of the Investment Plan is delegated to the City Council's internal UKSPF Management group;

2.2 The appointment of a Project Manager to support the management and monitoring of the Exeter UKSPF following the receipt of the offer letter from the Department for Levelling Up, Housing and Communities (DLUHC);

2.3 The £20,000 administration payment is earmarked to develop Exeter's investment plan and consultation process, with any surplus for project administration.

AND that Executive notes that:

2.4 in order to meet the requirements of the UKSPF, consultation on Exeter interventions will take place with a number of organisations who have an interest in the delivery of UKSPF in Exeter, as well as the Liveable Exeter Place Board.

2.5 An internal officer working group (UKSPF Working Group) will be established in order to ensure the effective management & monitoring of the UKSPF, and that this Group will report to Strategic Scrutiny on a regular basis.

3. Reasons for the recommendation:

- 3.1 To ensure the City Council is able to access our allocation of the UKSPF, through proper consultation, management and monitoring of our Investment Plan.

4. What are the resource implications including non-financial?

Non-Financial

- 4.1 The overall management of Exeter's UKSPF will be managed by the Service Lead for Net Zero & Business, who will report to Strategic Scrutiny on a regular basis on the management, delivery and outcomes and outputs of the Exeter Investment Plan.
- 4.2 It is proposed to set up an internal working group (UKSPF Working Group) of relevant officers, to ensure the effective management & monitoring of the UKSPF. Further information on this group is within section 10.
- 4.3 To access Exeter UKSPF allocation, the City Council is required to develop an investment plan, with measureable outcomes and outputs, and submit this to the Department for Levelling up, Housing and Communities for approval by 1 August 2022. This will be developed and written by the Service Lead Net Zero & Business and approved by the City Council's internal UKSPF Management group. More information on the type of interventions that could be developed for Exeter are listed in Appendix Two.

Financial

- 4.4 Exeter's 3 year allocation is £1,403,000 and is split across 3 financial years, with a required minimum spend per year on capital expenditure. Funding for 2022/23 will be paid once our investment plan has been signed off. Funding for 2023/24 and 2024/25 will be paid at the start of each financial year.

	Revenue	Capital
2022-23	90%	10%
2023-24	87%	13%
2024-25	80%	20%

- 4.5 Local authorities will receive an allocation to manage UKSPK, to include project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. This is 4% of your overall UKSPF allocation, for Exeter this equates to £56,120.
- 4.6 It is recommended to use Exeter's £56,120 allocation to appoint a temporary Project Manager, to manage some of the UKSPF projects.
- 4.7 £20,000 is made available to Local Authorities to undertake initial preparatory work in developing our Investment Plan. It is proposed to use the £20,000 in gaining data, evidence and specific expertise to support Exeter's Investment Plan. This funding will be paid on sign-off of our Investment Plan.
- 4.8 Interventions included within our Investment Plan, additional funding will be sought to increase the intervention impact.

5. Section 151 Officer comments:

5.1 Members should note that a small percentage of the funds are allocated for capital purposes only. It is important that eligible expenditure is therefore identified otherwise it is likely that the Government will claw back the funding and the Council will have to fund the shortfall. The Section 151 Officer sits on the Working Group and will seek to ensure that all expenditure is eligible to maximise the funding received from the Government.

6. What are the legal aspects?

6.1 On the basis that Members approve the recommendations set out above, that Officers must ensure that any allocation of funds to third parties follows a legally compliant procurement process in accordance with the Public Contracts Regulations 2015 and/or the statutory regime for the allocation of grant monies.

7. Monitoring Officer's comments:

7.1 Save for the legal aspects set out above, the Deputy Monitoring Officer has no additional comments.

Simon Copper (Deputy Monitoring Officer)

8. UK Shared Prosperity Fund

8.1 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 to level up. UKSPF is a replacement of all European Union funding, including the European Regional Development Fund (ERDF), The European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). Details of UKSPF could be found on the [Government website](#)

8.2 UKSPF enables local decision making and to address challenges and issues within our own locality. Places, like Exeter, will be able to use UKSPF to complement other funding streams such as Levelling Up Fund, mainstream employment and skills provision and others.

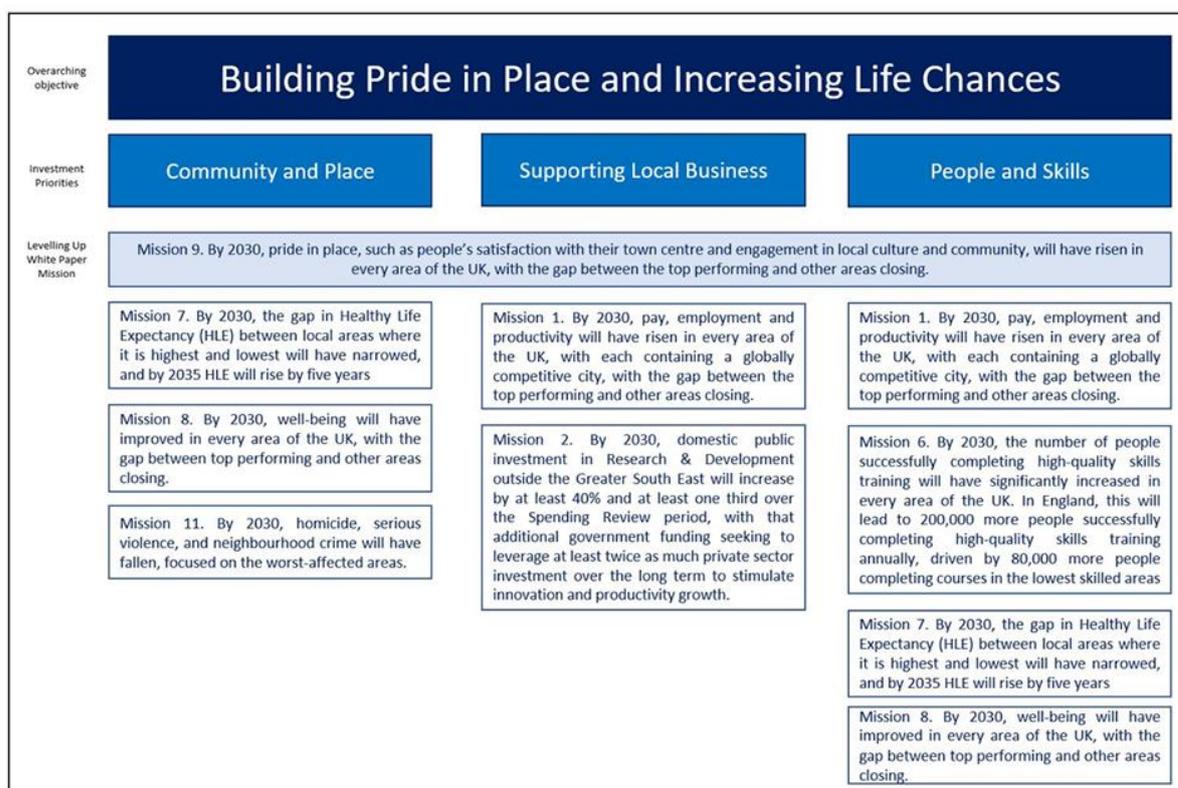
8.3 The primary goal of UKSPF is to build pride in place and increase life chances, which aligns with Levelling Up White Paper missions, particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.' This vision fits neatly with the Exeter 2040 vision.

8.4 UKSPF is there to recognise the challenges city centres and communities have faced during the pandemic. UKSPF is there to improve the places people live and work in, and support individuals and businesses. It is there to drive improvements that matter to local communities, to foster local pride in place and increase life chances including health outcomes.

8.5 The UKSPF objectives are:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging
- Spread opportunities and improve public services, especially in those places where they are weakest
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost
- Empower local leaders and communities, especially in those places lacking local agency aims of UKSPF

8.6 Underneath the overarching aim of **building pride in place and increasing life chances**, there are three UKSPF investment priorities: **communities and place**; **supporting local business**; and **people and skills**. The image below shows how they all link together.



8.7 There is diary of important dates to adhere to, these are:

Funding Period	April 2022 – March 2025
Fund launched	13 April 2022
Consultation Period	20, 21 & 27 June
Exeter Place Board meeting	11 July
Investment Plan submission window	30 June – 1 August 2022
Report to Executive & Council	5 & 19 July 2022
Guidance published including on monitoring benefits and evaluation, assurance, subsidy control, branding and publicity	Summer 2022
Update Report to Strategic Scrutiny	22 September 2022
First Payments expected	From October 2022

- 8.8 Within the UKSPF guidance it is strongly encourage lead local authorities (such as Exeter) work with other authorities to commission people and skills activity, or business support activity, where it meets the needs of place, and achieves value for money or better outcomes for local people or businesses.
- 8.9 County wide discussions have started and are ongoing with other District Council's, as well as Torbay and Plymouth, on addressing similar challenges and issues and how these can be jointly procured to achieve economies of scale.
- 8.10 It is anticipated that the responsibility of managing UKSPF will align to proposed Devolution Deals. This will take effect at the end of the current funding programme – March 2025.
- 8.11 In developing the Exeter Investment Plan, the City Council needs to consider other national policies and priorities, such as net zero and the 25 Year Environmental Plan, as well as local policies and strategies.

9. Local Partnership Group and Investment Plan

- 9.1 In developing our investment plan, we are required to work with a diverse range of local and regional stakeholders. They will provide advice on strategic fit and deliverability, to ensure the UKSPF complements other activities in Exeter and UKSPF and local objectives.
- 9.2 Below is a guide to the types of groups that should be represented on local partnership groups.
- Representatives from the lead local authority (this may also include neighbouring authorities or constituent authorities where relevant and to maximise alignment)
 - Local businesses and investors (large employers and small and medium sized employers)
 - Business support providers or representatives, including sectoral representatives relevant to the place (for example – cluster bodies, tourism organisations)
 - Local partnership boards and strategic bodies where relevant (for example, Local Enterprise Partnerships or Local Skills Improvement Partnerships in England, City and Growth Deal partners in Scotland, Wales and Northern Ireland)
 - Regional representatives of arms-length bodies of government where appropriate
 - Prominent local community & faith organisations
 - Voluntary, sector social enterprise and civil society organisations
 - Rural representatives unless there are no rural communities within the area
 - Education and skills providers – for example higher education institutions and further education colleges, adult learning providers
 - Employment experts and providers – for example Jobcentre Plus representatives and employment related service providers
 - Nature, environmental or associated representatives
 - Public health representatives
 - Police and crime representatives (such as Police and Crime Commissioners where relevant)
 - Members of Parliament

- Representatives of the UK government may also attend and can provide access to specific expertise where this is needed.

9.3 Within the UKSPF Guidance it advises where a group is already established, that group can be designated for UKSPF consultation purposes (not decision making). It is proposed that the Liveable Exeter Place Board is the nominated group for consultation on Exeter interventions. The Terms of Reference for the Liveable Exeter Place Board are being amended to enable this to happen.

9.4 The Service Lead Net & Business has organised 3 online consultation workshops around the three themes of Community & Place, Supporting Local Business and People & Skills. A list of those who will be consulted with are included in Appendix One.

9.5 To release Exeter's UKSPF allocation, we are required to develop and write an Investment Plan, which will set out how we intend to use and deliver UKSPF funding. An online UKSPF portal has been established, where our Investment Plan will be submitted to.

9.6 UKSP has developed a broad set of [interventions](#) which can be used addressing local challenges and issues. These are also listed in Appendix Two.

9.7 Investment Plans will be assessed against three areas:

- Local context – including challenges and opportunities
- Selection of outcomes, outputs and proposed interventions
- Delivery

9.8 UKSPF can be used to support interventions via:

- grant to public or private organisations
- commissioning third party organisations
- procurement of service provision
- in-house provision

9.9 Match funding is not required to unlock our UKSPF allocation. But we are strongly encouraged to consider match funding from the private, public and third sectors and leverage options when selecting communities and place and supporting local business interventions to fund.

10. Monitoring & Evaluation

10.1 The City Council will be required to report data back to the UKSP team to ensure that allocations are being spent to agreed timescales and milestones, including achievement of outputs and outcomes at the project level. We will also be required to report individual project outputs and outcomes at UK Parliament constituency level.

10.2 There will be a formal reporting request every six months, as well as prior to each annual payment. Support will be provided by the Department for Levelling Up, Housing and Communities if we are unable to meet milestones.

10.3 It is recommended that an internal UKSPF Management Group is established, to support the delivery and monitoring of Exeter interventions. The group would consist of representatives from:

- Service Lead Net Zero & Business
- New temporary Project Manager
- Legal
- Finance
- Parks & Open Spaces
- Business & City Inclusivity
- Relevant Director(s)

10.4 The group would meet monthly and report into Strategic Scrutiny with updates on progress.

11. How does the decision contribute to the Council's Corporate Plan?

11.1 This report and its recommendations links directly to the Exeter Vision and a number of corporate priorities.

Corporate Plan	Delivering Net Zero Exeter 2030	A number of interventions will support the delivery of the Exeter Net Zero 2030 Plan.
	Promoting active & healthy lifestyles	Some of the interventions will be developed to encourage people to travel into the city centre by bike and to walk around the city
	Building Great Neighbourhoods	One of the main interventions is bringing forward activity on City Point to support new business start-ups, innovation and the cultural activity
Exeter Vision	Innovative & Analytical City	Interventions support high growth potential businesses, as well as the commercialisation of research from the University of Exeter. Skills and learning interventions will be developed to support residents to improve their learning opportunities
	Healthy & Inclusive	Interventions will be developed to encourage people to travel into the city centre by bike and to walk around the city
	The Most active city in the UK	Interventions will be developed to encourage people to travel into the city centre by bike
	Accessible world class educations	Interventions Collaborating with educational institutions in delivering world class education to residents and businesses, giving opportunities to all
	Liveable & connected	Interventions support a thriving city centre
	A leading sustainable city	A number of interventions will support the delivery of the Exeter Net Zero 2030 Plan.
	Culture	Interventions support Creative Arc

12. What risks are there and how can they be reduced?

- 12.1 In setting up the internal UKSPF Management Group, this will ensure that timeframes are adhered to, as well as ongoing monitoring of interventions and their respective outputs and outcomes.
- 12.2 The requirement to report back to Department for Levelling Up, Housing and Communities will reduce risks associated with the delivery of interventions.
- 12.3 Reporting to Strategic Scrutiny will reduce risks associated with the delivery of interventions.

13. Equality Act 2010 (The Act)

- 13.1 In recommending this report, potential impacts have been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention
- 13.2 UKSPF is about levelling up opportunities and prosperity and overcoming deep-seated inequalities. In developing interventions for Exeter, they will support the overall objective of UKSPF in Building Pride in Place and increasing life chances.
- 13.2 An EQIA has been developed in considering the impact of UKSPF on Exeter. The EQIA will be further developed for the Investment Plan and will be reported on at Strategic Scrutiny.

14. Carbon Footprint (Environmental) Implications:

- 14.1 A number interventions will support Exeter's Net Zero 2030 Plan, in supporting businesses to reduce their carbon emissions and providing infrastructure for people to cycle into the city centre (Bike store, storage and showers).
- 14.2 Elements of the People & Skills theme will focus on green skills. Larger projects will be reviewed to keep carbon emissions to a minimum or to net zero.

15. Are there any other options?

- 14.1 Within the guidance for UKSPF, Exeter City Council is a 'Lead Authority', so there is a requirement to manage Exeter's UKSPF allocation and develop an Investment Plan.
- 14.2 There is an option of not appointing a Project Manager to manage a number of the major projects. The decision was taken to appoint a temporary position, due to limited capacity within the team and the City Council.

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Author: Service Lead: Net Zero & Business

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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