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| Council name | COTSWOLD DISTRICT COUNCIL |
| Name and date of Committee | CABINET 4 JULY 2022 |
| Report Number | AGENDA ITEM 9 |
| Subject | SUBMISSION OF INVESTMENT PLAN FOR UK SHARED PROSPERITY FUNDING |
| Wards affected | All |
| Accountable member | Cllr Tony Dale – Cabinet Member for Economy and Council Transformation. Email: tony.dale@cotswold.gov.uk |
| Accountable officer | Paul James, Economic Development Lead Tel: 01285 623558 Email: paul.james@cotswold.gov.uk Claire Locke, Group Manager - Property and Regeneration Tel: 01285 623427 Email: claire.locke@publicagroup.uk |
| Summary/Purpose | To seek agreement to the Year 1 projects and Year 2 & 3 key areas of focus which will be included in the Council's Local Investment Plan for the UK Shared Prosperity Fund and to agree delegations to enable sign off of the final plan before submission and progression with projects requiring expenditure in 2022/23. |
| Annexes | Annex A - Invitee list for Partnership Group |
| Recommendation(s) | That Cabinet agrees: (a) to support the inclusion of the projects, interventions and indicative allocations listed in this report in the Council's Local Investment Plan for the UK Shared Prosperity Fund. (b) to delegate authority for the final decision on the evaluation of projects and interventions to be included and approval of the Local Investment Plan submission to the Chief Executive in consultation with the Leader and Cabinet Member for Economy and Council Transformation. |



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| | <p>(c) to agree a variation and pay Publica the £20,000 revenue allocation from the UKSPF for the Local Investment Plan preparation, the application of which is to be approved by the Chief Finance Officer in consultation with the Cabinet Member for Economy and Council Transformation.</p> <p>(d) to agree that 4% of the fund is used for administration of the Programme, with the total sum of £40,000 over the life of the project being paid to Publica to employ a shared UK SPF Programme Manager, to monitor and manage project progress and undertake the required reporting.</p> <p>(e) to delegate authority for the award of contracts to consultants/contractors to deliver projects for delivery in 2022/23 to the Group Manager - Property and Regeneration in consultation with the Chief Finance Officer and the Cabinet Member for Economy and Council Transformation.</p> |
| Corporate priorities | <ul style="list-style-type: none">● Enable a Vibrant Economy● Responding to the Climate Crisis● Support Health & Wellbeing |
| Key Decision | YES |
| Exempt | NO |
| Consultees/ Consultation | Cabinet Members, Cotswold Economic Advisory Group, Cotswold District UK SPF Partnership Group including representatives from business and community groups and Sir Geoffrey Clifton-Brown MP |



1. BACKGROUND

- 1.1. The UK Shared Prosperity Fund (UKSPF or the Fund) is part of the Government's Levelling Up agenda and is designed to replace European structural funding programmes which are now coming to an end following the UK's withdrawal from the European Union. 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.
- 1.2. The primary goal of the UKSPF is to build pride in place and increase life chances across the UK through the support of high-quality skills training, improving pay, supporting employment and productivity growth.
- 1.3. There are two parts to the UKSPF. The first part, which is Multiply (adult numeracy) funding, is provided to the County Council. The core UKSPF, which is provided directly to Cotswold District Council, must be spent on projects and programmes that fit broadly within three key themes:
 - Communities and Place;
 - Supporting Local Business;
 - People and Skills (which comes into effect from 2024/25 onwards).
- 1.4. Cotswold District Council has been allocated £1,000,000 of funding, with set allocations for each of the three years which must be spent in-year and cannot be rolled forward. The majority of funding is revenue, although a minimum of 10% of the funds must be spent on capital projects in the first year, with the capital element increasing to 13% then 20% in subsequent years.
- 1.5. The fund can be used flexibly to support interventions across the three themes including grants to public or private organisations, commissioning third party organisations, procurement of service provision or in-house provision and loans (in "limited circumstances"). There is a prescribed set of interventions, outputs and outcomes for the fund but there is also flexibility for the inclusion of other measures, subject to agreement.
- 1.6. The Council is required to produce a Local Investment Plan which must be submitted to the Government by 1st August 2022. The Plan must be supported by evidence which will inform the interventions and the outcomes that will be delivered across each of the three financial years.
- 1.7. The UKSPF prospectus sets out the requirement to engage with stakeholders and seek consensus on the interventions that should be funded. The guidance makes reference to a range of stakeholders that the Council should collaborate with in the preparation of their Plan. A Partnership Group meeting, made up of key stakeholders, was held on 7th June which reviewed evidence around challenges and opportunities to gain feedback on what should be the areas of focus. The Partnership Group identified the value in looking for opportunities which delivered against more than one area, for example tackling climate change and health through active travel. There was also seen to be value in looking for opportunities to secure match



funding to support interventions (although this is not a prerequisite of UKSPF funding) or working in partnership on delivery or commissioning of project work. A list of Partnership Group invitees is included at Annex A. The Council will lead the programme of projects and administer the funds, although some projects may be delivered by third parties.

- 1.8. The UKSPF prospectus sets out the need to identify both challenges and opportunities that the area faces. Therefore, interventions can be designed to build on the District's strengths as well as addressing its challenges. This should be guided by evidence and Officers have been compiling baseline data to help guide the interventions which will form the basis of the Local Investment Plan. In coming to a recommendation on which interventions should be funded, consideration has been given to the projects and programmes that we are aware of which have relied upon European funding in the past and therefore would be unlikely to continue now the funding has ceased or is due to cease. Nonetheless, each proposal will be assessed on the merits of how it would meet the Fund's objectives. It should be noted that the Council does not have access to information on which projects have received European funding in the past and is reliant on those organisations coming forward to apply for funding.

Local Investment Plan Preparation

- 1.9. A review of the Corporate Plan took place with a view to identifying specific actions or projects that could potentially be unlocked or accelerated through the use of the Fund. Other strategic projects were also identified. An initial long list of potential projects was prepared and mapped against the three themes and the interventions that support each theme which are identified in the UKSPF guidance. Officers then reviewed each project on the long list considering factors including the outcomes that would be delivered, the investment requirement, the period during which funding would be spent and the deliverability of the project.
- 1.10. Projects which met fund objectives, delivered against Council priorities and that required expenditure within 2022/23 were shortlisted for evaluation by an Evaluation Panel made up of key Members, Officers and representatives from external partners. Internal submissions were also required to complete an Expression of Interest form to ensure a consistent and transparent approach to the consideration and evaluation of projects.
- 1.11. Key stakeholders were supplied with the Expression of Interest (EoI) form and were able to submit their own proposals for investment and the same criteria were applied to these projects. The group felt that a two week period of time following the Partnership meeting to submit the EoI was reasonable. Given the time constraints, the need to demonstrate deliverability and the limited amount of funding available in year one, it was felt that a wider 'call for projects' was not necessary or appropriate. However, there will be further opportunities for partners to submit bids for the second and third years of the Fund, for projects that deliver against the outcomes that have been prioritised.
- 1.12. A scoring matrix has been developed which scores projects against both the Fund interventions and Council priorities. This has been used by the Evaluation Panel to inform the assessment of projects put forward and the scores for projects seeking funding for 2022/23. There will be a further report to Cabinet later this financial year, once detailed projects for 2023/24 and 2024/25 have been identified and evaluated.



1.13. As spend on projects that will be funded in 2022/23 must be defrayed this year, a delegation is sought to enable the rapid appointment of consultants, contractors or partners. If there is a requirement to report back to Cabinet on actual costs once procured, there is a risk of delays which could impact on the Council's ability to spend the allocation by March 2023. Funding cannot be carried forward into 2023/24.

1.14. The administration of the UKSPF will be supported by a project structure which provides oversight on delivery and progress. There will be regular updates to Cabinet Members and senior management and an annual update to Cabinet on spend and future year projects. A Partnership Group will need to be called upon each year to review evidence and identify opportunities and potential interventions, in addition to the Evaluation Panel which will need to convene each year to evaluate projects. It is also proposed that a Delivery Board, which would include a Cabinet Member and a member of the Council's local management team, in addition to key Officers and relevant external stakeholders, would meet quarterly to oversee progress on spend and delivery of projects and outcomes.

1.15. **PROPOSED PRIORITY INTERVENTIONS FOR INVESTMENT**

1.16. An initial review of project proposals received to date indicates the following investments should be prioritised in Year 1 (2022/23), these will be confirmed through the delegation.

| Initiative | Investment | |
|---|----------------|----------------|
| | Revenue | Capital |
| Old Station feasibility study | £16,500 | |
| Clean and Green, including sustainability initiatives and public realm improvements | £77,725 | |
| 4% administration | £4,382 | |
| Crowdfund Cotswolds | | £9,000 |
| Clean & Green - materials & equipment | | £1,956 |
| Total | £98,607 | £10,956 |

1.17. Investment in Years 2 and 3

The key areas of focus identified will be:

- Green and economic infrastructure
- Economic development
- Climate (including decarbonisation and natural environment)
- Carbon zero social housing



- 1.18. Each of these relate to a number of specific interventions set out in the fund guidance. Although social housing delivery itself is not a key objective of the fund, carbon zero delivery will achieve against both climate and cost of living objectives for low income households. The individual projects that will be delivered to achieve against these interventions will be agreed at a later date in discussion with the appropriate partners.
- 1.19. However, the final Evaluation Panel will take place in July to assess any further projects submitted by stakeholders and therefore the above is subject to change. A delegation is sought to enable the final agreement of projects to be funded in Year 1 and interventions to be funded in Years 2 and 3.
- 1.20. Due to the limited time available for Investment Plan preparation and the requirement to submit proposals by 1st August, Cabinet approval is requested before the final version of the Local Investment Plan has been completed. Agreement is therefore sought to the suite of projects with final sign off of the Plan delegated to ensure deadlines are met.

2. FINANCIAL IMPLICATIONS

- 2.1. The Council has been allocated £1 million broken down as follows:

2.2. Breakdown of allocation year by year

| Financial year | 2022/23 | 2023/24 | 2024/25 |
|--------------------|----------|----------|----------|
| Funding allocation | £109,563 | £219,127 | £671,310 |
| Minimum capital % | 10 | 13 | 20 |
| Minimum capital | £10,956 | £28,487 | £134,262 |
| Maximum rev | £98,607 | £190,460 | £537,048 |

- 2.3. In the case of some projects UKSPF funding may be used for feasibility work or to fund part of the delivery and therefore outcomes will not be achieved in full without other investment. This will vary depending on the project but could include the Council's own investment, private sector investment or external grant funding.



- 2.4. In addition to the £1million fund, the Council has an allocation of £20,000 for Investment Plan preparation, which must be spent by 1st August 2022. This will fund project management and preparation of data and evidence. It is recommended that this sum is paid to Publica to enable them to provide these services on the Council's behalf. These funds will be ring fenced for expenditure on Cotswold District Council related activities, to be agreed with the Chief Finance Officer in consultation with the Cabinet Member for the Economy and Council Transformation.
- 2.5. The Council can spend 4% of the £1million allocation on administering the fund. As the lead authority for administering the fund, the Council will have a significant amount of work to do to manage the programme of projects and meet the regular reporting requirements. 4% equates to £40,000 over the three years. Agreement is sought to pool this fund with partner councils, West Oxfordshire District Council and Forest of Dean District Council, to provide a total budget of £120,000. This would be used to fund a shared and dedicated UKSPF programme manager for the period of 2022 - March 2025 as the most efficient use of this resource.

3. CONCLUSIONS

- 3.1. The submission of a Local Investment Plan that is clearly targeted to meet UKSPF objectives as well as deliver against the Corporate Plan will provide significant benefits, unlocking or accelerating project delivery. The projects set out in this report have been carefully selected based on the outcomes they will deliver and have been guided by the views of key stakeholders.

4. LEGAL IMPLICATIONS

- 4.1. The Council will assess the legal implications of individual projects and will ensure that they meet legal requirements, obtain relevant permissions and are procured and funded appropriately.
- 4.2. In securing UKSPF the Council must meet the requirements of the fund to avoid any repayment of the allocation. The delivery of the UKSPF will be run as a programme and managed through the existing Project Management Framework to ensure compliance with fund requirements and other risks are identified and managed effectively.
- 4.3. Save from the above, there are no other legal implications arising directly from this report.

5. RISK ASSESSMENT

- 5.1. If the annual funding allocation is not spent, it does not carry forward and has to be repaid. Deliverability of projects has therefore been a key consideration to mitigate this risk.
- 5.2. Increasingly the Council is securing capital and revenue funding through Government grants to deliver projects which support its priorities as set out in the Corporate Plan. In some cases this will reduce the capital requirement and therefore the revenue cost of borrowing for the Council. There is however a challenge in meeting the staff resource requirements to deliver these projects particularly as most grants require project completion within a defined and quite tight



time period. There may therefore need to be an allocation in future budgets for additional staff resources in specific areas, to deliver key projects.

- 5.3. There is a risk that some stakeholders do not agree with the selected projects as they consider their own projects should be funded instead. The Council is seeking to collaborate and gain a consensus and will try to mitigate this risk as much as possible.

6. EQUALITIES IMPACT

- 6.1. An EIA will be undertaken for each project as they are developed, where appropriate.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 7.1. The climate and ecological implications of each project are taken into account during the assessment process. The guidance published by the Government makes clear that climate change should be a key consideration.

8. ALTERNATIVE OPTIONS

- 8.1. The Council could choose not to submit a Local Investment Plan however it is likely it would not then receive the £1 million UKSPF allocation.
- 8.2. The Council could select different interventions and projects but, having gone through significant consultation with internal and external stakeholders, Officers feel that the approach set out in this report is the most appropriate course of action.

BACKGROUND PAPERS

- 8.3. None

(END)



ANNEX A - Invitees to Partnership Group meeting

| Partnership Group Representatives – SPF Guidance | CDC partners |
|--|---|
| Representatives from the lead local authority (this may also include neighbouring authorities or constituent authorities where relevant and to maximise alignment) | <ul style="list-style-type: none"> • CDC Leader & Cabinet Member • GCC |
| Local businesses and investors (large employers and small and medium sized employers) | <ul style="list-style-type: none"> • St James’s Place • Fire Service College • Campden BRI |
| Business support providers or representatives, including sectoral representatives relevant to the place (for example – cluster bodies, tourism organisations) | <ul style="list-style-type: none"> • Cotswold Economic Advisory Group • FSB – Sam Holliday • Cirencester Chamber of Commerce |
| 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) | <ul style="list-style-type: none"> • Gfirst LEP • Growth Hub – Stephen Meyer |
| Prominent local community & faith organisations | <ul style="list-style-type: none"> • Gloucester Diocese • Churches Together |
| Voluntary, sector social enterprise and civil society organisations. | <ul style="list-style-type: none"> • Cotswold Friends • The Churn Project • Gloucestershire VCS Alliance • The Long Table/Grace Network • Cirencester Food Bank • Young Gloucestershire • World Jungle |



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| Rural representatives | <ul style="list-style-type: none">• GRCC – Barbara Piranti - CEO• Cotswolds National Landscape |
| Education and skills providers – for example higher education institutions and further education colleges, adult learning providers | <ul style="list-style-type: none">• Royal Agricultural University• Cirencester College• Adult Education |
| Employment experts and providers – for example Jobcentre Plus representatives and employment related service providers | <ul style="list-style-type: none">• DWP• The GEM project |
| Nature, environmental or associated representatives | <ul style="list-style-type: none">• GWT – Dr Gareth Parry – Director of Conservation• Julian Atkins, Countywide Climate Change Co-ordinator |
| Public health representatives | <ul style="list-style-type: none">• Integrated Locality Partnership• Clinical Commissioning Group• Director of Public Health |
| Police and crime representatives (such as Police and Crime Commissioners where relevant) | <ul style="list-style-type: none">• Glos Constabulary – Superintendent Mark Chicken• PCC - Chris Nelson• Safer Gloucestershire• Cotswolds Neighbourhood Team (Insp Simon Ellson) |
| Member of Parliament | <ul style="list-style-type: none">• Sir Geoffrey Clifton-Brown |