



**COTSWOLD**  
DISTRICT COUNCIL

Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>CABINET 13TH MARCH 2023</b>
Subject	<b>UK SHARED PROSPERITY FUND YEAR TWO (2023/24)</b>
Wards affected	All
Accountable member	Councillor Tony Dale, Cabinet Member for Economy and Council Transformation Email: <a href="mailto:tony.dale@cotswold.gov.uk">tony.dale@cotswold.gov.uk</a>
Accountable officer	Andy Barge, Assistant Director - Communities Email: <a href="mailto:andy.barge@publicagroup.uk">andy.barge@publicagroup.uk</a>
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Summary/Purpose	To seek approval for the governance arrangements and allocation of funding.
Annexes	A. UKSPF projects being funded in 2022/23. B. UKSPF allocations against interventions for 2023/24 and 2024/25. C. Funding request relating to Cirencester Growth Hub.

Recommendation(s)	<p>That Cabinet resolves to:</p> <ol style="list-style-type: none"><li><i>1. Note Government approval of the Council's UKSPF Local Investment Plan.</i></li><li><i>2. Note the allocation of funding to Year One projects.</i></li><li><i>3. Approve the governance arrangements set out in para 2.3.</i></li><li><i>4. Approve the allocation of up to £135,000 of Year Two (2023/24) UKSPF funding to the Cirencester Growth Hub, subject to entering into a satisfactory service level agreement, and up to £135,000 in Year Three (2024/25) subject to satisfactory performance.</i></li><li><i>5. Delegate authority to the Chief Executive, in consultation with the Cabinet Member for the Economy and Council Transformation, to approve details of the service level agreement with the Growth</i></li></ol>
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	<p><i>Hub.</i></p> <p>6. <i>Delegate authority to the Chief Executive, in consultation with the Cabinet Member for Economy and Council Transformation, to allocate the balance of Year Two funding to projects aligned with the interventions set out in Annex B.</i></p>
Corporate priorities	<ul style="list-style-type: none"><li>● Respond to the climate crisis</li><li>● Support health and wellbeing</li><li>● Enable a vibrant economy</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Senior Management, Cotswold Economic Advisory Group

## EXECUTIVE SUMMARY

The Council was awarded £1 million in funding from the UK Shared Prosperity Fund (UKSPF) over three years, subject to approval of a Local Investment Plan (LIP) setting out how the Council plans to use it. Cabinet in July approved the approach to the use of the fund. The LIP has now been approved by the Government.

The funding allocated is £109,563 in 2022/23, £219,127 in 2023/24 and £671,310 in 2024/25. The first year funding has been allocated in line with the original Cabinet report and projects are getting underway.

Cabinet are asked to approve up to £135,000 of funding from the 2023/24 allocation for the Cirencester Growth Hub, subject to a satisfactory Service Level Agreement, and in principle up to £135,000 from the 2024/25 allocation subject to satisfactory performance. The Growth Hub's funding from the European Regional Development Fund runs out at the end of March 2023 and without confirmation of UKSPF funding they will not be able to continue to operate in the current format. Each of the other Gloucestershire districts are supporting the Growth Hubs in their areas.



It is proposed that decisions for the remaining 2023/24 UKSPF funding are made following an open call for projects to start as soon as possible after the May elections. Authority to make those decisions, in line with the Local Investment Plan, is proposed to be delegated to the Chief Executive in consultation with the Cabinet Member for Economy and Council Transformation.

## **1. BACKGROUND**

- 1.1 In April 2022, the Council was notionally allocated £1 million from the Government's UK Shared Prosperity Fund (UKSPF). This was subject to the approval of a Local Investment Plan (LIP) setting out the Council's approach to the use of the funding. The funding is 'backloaded' with £109,563 in 2022/23, £219,127 in 2023/24 and £671,310 in 2024/25.
- 1.2 Cabinet received a report in July 2022 which delegated authority to the Chief Executive, in consultation with the Leader of the Council and the Cabinet Member for Economy and Council Transformation, to approve the Local Investment Plan (LIP). The LIP was submitted to Government at the end of July 2022 and was approved in December 2022, enabling the Council to start progressing the various Year One projects which had been approved by the Evaluation Panel established for this purpose.

## **2. PROGRESS**

- 2.1 Officers are working, where applicable with external partners, to progress Year One projects. A list of the projects being funded is listed in Annex A. Two projects which were intended to be funded in Year One will not now be. GFirst LEP's Inward Investment Project was withdrawn and they are seeking to fund it in other ways. The wildflower planting on Cirencester Ring Road was not able to be completed within the current financial year and will be revisited in 2023/24. As a result, the funding allocated to these two projects has been reallocated to similar initiatives to stay within the scope of the original Cabinet resolution.
- 2.2 A dedicated webpage has now been created at [www.cotswold.gov.uk/spf](http://www.cotswold.gov.uk/spf) and a link has been sent to all councillors. A project manager covering the UKSPF for Cotswold, Forest of Dean and West Oxfordshire councils has been appointed.
- 2.3 The report to Cabinet in July set out initial thoughts on governance arrangements for the UKSPF. It is now appropriate to revisit those arrangements with the greater knowledge of how the UKSPF will operate. It is proposed that the following groups are put in place to provide oversight:



**Delivery board** - To meet quarterly to monitor progress, made up of the Cabinet Member, CDC's Chief Executive, Section 151 Officer or Monitoring Officer, the Assistant Director (Property and Regeneration), the Business Manager (Localities), Economic Development Lead and UKSPF Project Manager.

**Evaluation Panel** - As for 2022/23, this will consider applications from projects to be funded and will include a Cabinet Member, CDC's Chief Executive, Section 151 Officer or Monitoring Officer, the Assistant Director (Property and Regeneration) and at least one external member drawn from the Partnership Group. Meetings will be held annually or whenever there are project applications to consider.

**Partnership Group** - The UKSPF requires a Partnership Group made up of relevant stakeholders and Officers from across all three themes of the Fund (Community and Place, Supporting Local Business and People & Skills). The group should also include the local MP. This group will meet annually to help set priorities for the funding.

### 3. FUNDING FOR 2023/24

- 3.1 As set out in paragraph 1.1 the UKSPF funding for 2023/24 is £219,127. The Council would wish to go through an open process for applications in order to allocate the funding. This would be guided by the allocations against each intervention as detailed in Annex B.
- 3.2 Members will be aware that the pre-election period starts on 17th March and it is therefore proposed that a call for applications for funding is undertaken as soon as possible after the Council elections in May. Town and parish councils have elections in addition to the District Council and it is felt to be fair to allow applications to come forward which reflect the priorities of those who have been elected.
- 3.3 However, there is one application which is time critical, which Officers and the Cabinet Member are minded to support. The Cirencester Growth Hub, which opened in 2018 with £1.25 million of Government funding secured through GFirst LEP, provides support to small and growing businesses through one-to-one advice from skilled 'Business Navigators' on subjects ranging from training to funding, free events on a variety of business-related topics as well as co-working and small office spaces which operate on a membership basis. Over the last three years, the Growth Hub network across Gloucestershire has supported over 4000 businesses and helped over 1800 high growth companies.
- 3.4 Members will be aware that the Cirencester Growth Hub is based at the Alliston Centre, on the Royal Agricultural University campus, and is co-located with the Farm491 agritech incubator. Supporting the Growth Hub is consistent with the Council's corporate priority to 'enable a vibrant economy' and with the UKSPF objective for the 'Supporting Local



Business' investment theme, which talks of “creating jobs through investments that build on existing industries and institutions”, “promoting networking and collaboration”, “stimulating innovation and growth” and “targeted support for small and medium-sized businesses”. This is particularly relevant for the Cotswold District as around 90% of our businesses are micro-businesses employing 9 or fewer people. In summary therefore the Growth Hub is seen as a key part of economic development and business support - which are directly in line with the principles of UKSPF.

- 3.5 To date the Growth Hub, which operates as part of the Gloucestershire Growth Hub Network, has been funded by the European Regional Development Fund (ERDF). This funding runs out at the end of March 2023. The UKSPF is intended, to some degree, to replace European funding which is coming to an end. Without support from the UKSPF the Growth Hub would not be able to continue to operate.
- 3.6 When the Council submitted its investment plan it had to indicate which investment theme and which interventions funding would be allocated to, for each of the three years. The Council did not have to supply details for 2023/24 and 2024/25 of the projects that would be supported to deliver those interventions, so it was a broad allocation. A sum of £135,000 has been allocated to Intervention *“E24: Funding for new and improvements to existing training hubs, business support offers, ‘incubators’ and ‘accelerators’ for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace”* in the Council’s approved UKSPF Local Investment Plan, under the investment theme of ‘Supporting Local Business’, in each of years 2023/24 and 2024/25. This was in anticipation that the Council would provide funding to support the Growth Hub.
- 3.7 Each of the district councils in Gloucestershire has resolved to provide funding to the Growth Hub in their area, which is supported by the central GFirst LEP Growth Hub team. Cabinet is being asked to approve funding for 2023/24 and to agree in principle to provide funding in 2024/25 subject to satisfactory performance. Growth Hubs provide a successful established means of supporting multiple local businesses, across a variety of sectors, at a local level. Funding Growth Hubs is therefore a cost effective way of delivering support to the local economy.
- 3.8 The funding is split into two elements - £39,500 per year towards central costs and the balance to pay for staff to provide support to businesses. This is set out in more detail in Annex C. The revenue generated by membership fees for use of the co-working and office spaces is also used to pay for staffing, over and above what the UKSPF funding will provide, but falls well short of what is needed to cover the Growth Hub’s operational costs.



- 3.9** With funding provided through the UKSPF, the Council can have a greater influence on the priorities of the Growth Hub, whereas previously the team based there were working towards delivering ERDF outputs. For example, the Council would wish the Growth Hub to prioritise assisting start-ups, supporting business to work towards Net Zero and to respond to the digital age. All of these areas are already part of the Growth Hub's work, but it will be within the Council's gift to identify areas where it wishes to have a greater focus.
- 3.10** Officers are engaged in discussions with GFirst LEP and other district councils to agree details of funding, including a Service Level Agreement which will incorporate delivery of UKSPF outputs. It is recommended that authority is delegated to the Chief Executive, in consultation with the Cabinet Member for the Economy and Council Transformation, to agree funding for the Growth Hub up to a maximum of £135,000, subject to an acceptable Service Level Agreement being entered into.

#### **4. ALTERNATIVE OPTIONS**

- 4.1** The Council could choose not to support the Growth Hub, but this would mean that it could not continue in its current form and would therefore not be able to contribute to achieving the Council's objectives around a vibrant economy to the same degree.
- 4.2** The Council could delay a decision until after the local elections in May, but this would not give the Growth Hub the certainty they need to continue beyond 31st March 2023 when their existing funding runs out.
- 4.3** Whilst the Council is keen to invite Strategic Partners, Town and Parish Councils, constituted Community Groups and Businesses to put forward projects for funding, delaying this allocation for GFirst LEP would have a very negative impact on the provision of business support in the District. The remainder of the allocation for 2023/24 and the full allocation for 2024/25 will be subject to an open call for projects.

#### **5. CONCLUSIONS**

- 5.1** The Council's Local Investment Plan for the UK Shared Prosperity Fund has now been approved by the Government, enabling projects for the 2022/23 financial year to proceed. Officers and relevant partners are now working to implement the agreed projects.
- 5.2** Expressions of Interest for funding from the 2023/24 allocation will be invited shortly, with decisions on allocating funding to be taken until after the May local elections. It is, however, proposed that funding for the Cirencester Growth Hub and the relevant share of central support services is agreed by Cabinet now in order to give them the certainty to continue operating beyond 31st March when their current funding expires.

#### **6. FINANCIAL IMPLICATIONS**



- 6.1 The funding proposed for the Growth Hub and each individual project will be wholly financed from the Council's UK Shared Prosperity Fund allocation..

## **7. LEGAL IMPLICATIONS**

- 7.1 Organisations in receipt of UKSPF funding will be required to enter into a legal agreement with the Council setting out the obligations on both parties, to ensure the conditions of the grant are met. Aside from this, there are no direct legal implications arising from this report.

## **8. RISK ASSESSMENT**

- 8.1 There is a risk that the Growth Hub may not deliver its output targets under UKSPF. This will be mitigated by close liaison with the Growth Hub team. Funding for 2024/25 will be contingent upon satisfactory performance.
- 8.2 The greater risk is that if funding is not agreed, the Growth Hub would not be able to continue in its current form beyond 31st March 2023 and would therefore not be able to contribute to the Council's priority of a vibrant economy.

## **9. EQUALITIES IMPACT**

- 9.1 Services at the Growth Hub are available to all, regardless of age, gender, race or disability. The recommendations in this report have no impact on human rights or any of the above groups.

## **10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 10.1 Businesses have an important part to play in tackling climate change. One of the priorities for the Growth Hub, as set by the Council, will be for them to provide support to businesses to measure and reduce their carbon footprint. A Net Zero seminar is being organised for 8th March 2023.

## **11. BACKGROUND PAPERS**

- 11.1 None.

(END)