

**MINUTES OF A MEETING OF THE ECONOMY, RESIDENTS AND COMMUNITIES
SCRUTINY COMMITTEE HELD AT BY TEAMS ON MONDAY, 25 JULY 2022**

PRESENT: County Councillor A Davies (Chair)
County Councillors D Bebb, T Colbert, B Davies, I Harrison, A Jones, E A Jones,
K Lewis, G Mitchell, J Thorp and C Walsh

Cabinet Portfolio Holders In Attendance: County Councillors J Charlton (Cabinet Member for a Greener Powys), R Church (Cabinet Member for a Safer Powys), D Selby (Cabinet Member for a More Prosperous Powys) and D A Thomas (Cabinet Member for Finance and Corporate Transformation)

Officers: Matt Perry (Head of Highways, Transport and Recycling), Clive Pinney (Head of Legal and Democratic Services), Diane Reynolds (Head of Digital Services and Economy), Wyn Richards (Scrutiny Manager and Head of Democratic Services) and Rebecca Jeremy (Economic Strategy and Climate Lead)

1.	APOLOGIES
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Apologies for absence were received from County Councillors J Berriman (Cabinet Member for a Connected Powys) and S Davies (Cabinet Member for Future Generations – on other Council business).

2.	DISCLOSURES OF INTEREST
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There were no disclosures of interest by Members relating to items to be considered at the meeting

3.	DECLARATION OF PARTY WHIPS
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The Committee did not receive any disclosures of prohibited party whips which a Member has been given in relation to the meeting in accordance with Section 78(3) of the Local Government Measure 2011.

4.	SHARED PROSPERITY FUND: SUBMISSION OF A REGIONAL INVESTMENT PLAN FOR MID WALES
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Documents Considered:

- Report of the Cabinet Member for a Prosperous Powys, County councillor David Selby – Shared Prosperity Fund: Submission of a Regional Investment Plan for Mid Wales.

Issues Discussed:

- The funding for the fund stems from the UK Government. The Council has until the 1st August 2022 to submit its first investment plan. The overarching fund for Powys is £27.4m but the plan has to be submitted as a region with Ceredigion.
- The £27.4m is split over three years and there are three aspects for the fund to be considered namely communities and place, supported local businesses and people and skills (this has a separate fund identified as Multiply predominantly for an adult numeracy programme).

- The funding allocated to local authorities are predominantly revenue funding with a certain element set aside in each year for capital funding and in the first year that is a minimum of 10% increasing each year.
- The funding is split £2.7m for 2022-23, but as confirmation of the investment plan is not expected until the Autumn, there will only be a short timescale to allocate this funding. The Multiply element is £4.7m in total.
- The funding allocation has been set by UK Government in accordance with a funding methodology.
- The Council needs to ensure that for the funding each year, there are sufficient projects identified to spend the allocation in full each year. £40k has been received to develop capacity within the teams to develop the plans as a region.
- The Regional Plan will be very high level and strategic and will not identify individual projects. It has to identify which interventions the Council wishes to support and what difference in outcomes the plan intends to make. However, there is no need to identify how much will be spent across each individual project.
- A local partnership group needs to be established across Ceredigion and Powys. Ceredigion has been identified as the lead local authority and delivery agreements will need to be finalised, but Powys will have full control of how it allocates its share of the funding.
- The plan needs to identify why as a local area and region the interventions that have been selected will address local regional issues and the challenges and why we are choosing the investment opportunities. Key strategic documents have been used for this such as background for the Growth Deal, current well-being assessment reports and other local strategies and reports.
- From engagement session which were undertaken the Council has mapped which interventions are coming out as a priority which are listed in the report. Those identified do reflect and capture the need and allow the need across Powys to be addressed. Adjustments to the plan in terms of interventions selected is also possible at a later date.
- The split in funding has been set at 40% for communities and place, 40% to support local businesses and 20% for people and skills as well as the Multiply intervention. Ceredigion are considering a similar split for their allocation as well as there are predominantly the same challenges across the region.
- The Council is allowed to take a percentage of the fund (4% management fee) for administering the plan such as assessing projects and monitoring and evaluation.
- Matched funding is not required as part of the fund but where we have grant allocations the Council may determine that for certain areas there needs to be matched funding to add extra value to projects. We can also allocate grant funding which does not require matched funding.
- There has been engagement with Town and Community Councils who were asked if they had any ideas for projects.
- Questions:

Question	Response
In respect of the balance between revenue and capital expenditure, the	The UK Government has set out the rules for this process and we do not

<p>concern is that community and place applications tend to generally be capital. Why is most of this revenue.</p>	<p>have any choice.</p>
<p>The prospectus does not give any indication of the split. Why did you only allocate 10% for capital as it states that this is the minimum figure. Is this discretionary.</p> <p>Include in the investment plan that this is discretionary.</p>	<p>The minimum is 10% and you can increase above the 10% which is discretionary. Advice from UK Government officials is that the plan is predominantly revenue based funding and this is the information they are providing to all local authorities.</p>
<p>What involvement does the UK Government have in where this funding is allocated. Have you involved the Powys MPs.</p>	<p>Yes we have engaged the two Powys MPs and their views are vital and will be taken into consideration. We will also continue to involve the MPs as the plan develops over the three years.</p>
<p>In terms of the 40% for community and place and the inclusion of flood defences which is important based on past events in the county. What percentage of the £8.9m is earmarked for flood defences.</p>	<p>We have not allocated anything as yet. Most flood defence schemes are capital schemes. The organisations involved would need to look at how they can use revenue funding for this such as for preparatory work. The capital schemes themselves are likely to be outside the scope of the fund.</p> <p>There will be different projects as to how we address flood defences such as technology solutions for example LORAWAN sensors to give early indication of where flooding might occur which could prompt different types of response.</p>
<p>In terms of energy efficiency, is this for domestic households or for businesses.</p>	<p>There is no restriction in the intervention wording so it would apply to either of these.</p>
<p>Powys has been allocated a higher core funding than Ceredigion. How was it allocated, by population / land mass.</p>	<p>It is a complicated methodology and there are links in the report to the funding allocation methodology in paragraph 2.6.</p>
<p>Is the list only Powys's priorities or does it cover Ceredigion's priorities as well. If not how does Ceredigion's list match up with Powys'.</p>	<p>The interventions for both councils exactly mirrored each other. Ceredigion have added two further interventions. Powys is considering whether to include these as well. We are keen to support regional projects working across both areas.</p>
<p>In respect of the Regional and Local delivery team, who will be on these teams.</p>	<p>These will be officer teams which are being established to deliver the funding.</p>
<p>In the prospectus it states that MPs will be represented in all phases of the plan including delivery. Why are they not</p>	<p>As this is UK Government funding we understand why there needs to be involvement of MPs outside of the</p>

<p>involved in the regional teams.</p>	<p>Council. We will lead MPs through the process at the next stage as we will with others. It is a complex process and we need to work with MPs to make sure that they are supportive of what Powys is doing.</p>
<p>Why is Ceredigion the lead partner as Powys has double the funding.</p>	<p>This mirrors what was set up under the Mid Wales Growth Deal so saves time and expenditure for both organisations and uses the existing framework which is already in place.</p> <p>This also makes no difference to decision making for Powys schemes and Powys will continue to make its own choices.</p>
<p>Is the relationship between Powys and Ceredigion working well</p>	<p>Yes the relationship has already been established under the Growth Deal which is already a positive and progressive relationship and Shared prosperity is being built into that.</p>
<p>Who are expecting to apply for the funding, is it only or primarily local authority projects or are there opportunities for external bodies to bid for the funding.</p>	<p>The intention is to have as broad a range of applicants as possible. Some may be internal from the Council but these may be working with external bodies as well. Others will come from other sources such as private and third sector which will assist in getting the scheme approved.</p> <p>There are some interventions which would be better led by the Council and some better led by local communities and some might have a mixture of both. Interventions will be considered on a project by project basis as to the best option.</p>
<p>Will there be an adequate period of time given to outside bodies to apply as this has been rushed for some previous schemes.</p>	<p>Currently timescales are clear but some might be tight but we have to work within the timescales that we are given.</p> <p>The funding reflects the growth in ideas and schemes. In the investment plan we need to look at supporting feasibility projects in 2022-23 to support the delivery of projects in the next two years.</p>
<p>How will you make sure this is shared fairly between urban and rural areas as the needs are so different, and not dominated by urban areas.</p>	<p>Most of the schemes will be cross county and therefore cover both areas. There needs to be monitoring of the geographic spread of the grants to ensure that projects are not</p>

	concentrated in one area.
Are there any areas identified as priorities.	Geographically no. The interventions listed are the areas of concern and are specific to different issues rather than areas.
Are all Councils applying the 4% management fee or are others doing something different. Have we benchmarked to work out if the funding available is adequate.	The 4% management fee is the same fee across all local authorities and is the maximum that all Councils can charge against the fund. The amount is quite tight to manage a fund of this value and complexity. We do know what size of team we need to deliver this based on previous experience with other funds. Where we can work together to deliver this across the region with Ceredigion could be more efficient.
Has inflation been factored in this percentage. Also, the paragraph about matched funding needs to be clarified.	Inflation has not been built into the fund and this has been raised as a question by Welsh Government and the WLGA. Currently we have to account for pressures within the current funding available.
In respect of the three defined areas and allocations set at 40% and 20%, if one of these funding pots is not fully utilised can funding be vired to one of the other areas.	UK Government has given an early indication that up to 30% can be vired between the three different areas within a year between the 3 areas (excluding the multiplier) without needing to seek approval for a different investment plan.
Who is taking the decisions on the allocation of funds to the bids that are submitted, is that the Cabinet or a Committee	An internal officer group will initially review applications received. A Working Group with Members is to be established to review applications and recommend the funding allocation. Cabinet will approve the final allocation for some projects and the Working Group will have delegated authority to approve others.
In relation to those whose applications are unsuccessful will they receive feedback so they can improve their applications next time.	Yes.
How will applications be graded.	The team that we have has got experience of doing this from previous funding schemes that the Council has administered. The assessment criteria has not been finalised as yet. However, from experience we will learn from programmes that we have run before and select the most appropriate elements of those three assessment

	<p>criteria to assist the Council assess applications fairly. All the assessment criteria are focussed on what are the benefits in terms of outcomes for local communities and people.</p>
<p>Is the Welsh Parliament involved.</p>	<p>In the documentation received it states that UK Government has developed this funding in consultation and partnership with Welsh Government.</p>
<p>If we feel we should spend more on capital than revenue is there any scope to lobby Westminster MPs.</p>	<p>There is always scope for lobbying but whether we get an outcome is difficult to know. We need to understand that this is a revenue fund but where we might need to obtain more capital funding we could lobby for that for particular projects.</p>
<p>As this is a three year project are you anticipating there will be a fresh call for applications in one and two year's time or are the applications being sought for three year projects.</p>	<p>We anticipate there will be a call for a blend of applications which include an in year spend or applications which develop over a three year period. We expect first year applications to include research and development projects with subsequent bids for years two and three.</p> <p>We do envisage more bidding rounds in years two and three and possibly on more regular intervals during the year as well.</p>
<p>It was stated earlier that the Council has reached out to Community Councils for ideas. Has this been done or is it proposed.</p>	<p>This has happened. Information was sent out to all Town and Community Councils and a meeting with Town and Community Councils was also held recently where the Shared Prosperity Fund was discussed.</p>
<p>Can we view any information provided by Town and Community Councils.</p>	<p>We are not at that stage as yet. All Town and Community Councils had the opportunity to complete the external consultation. A webinar was undertaken since and this can be sent out to all Town and Community Councils to remind them of the information provided.</p> <p>This was about providing information about the fund and advising that the council would be approaching Town and Community Councils at a later date seeking ideas for projects.</p> <p><i>(NOTE: Following the meeting it was clarified that the webinar could not be circulated due to potential GDPR issues and the slides would be circulated instead)</i></p>
<p>For smaller Town and Community</p>	<p>There would not be any financial</p>

<p>Councils, who have part time staff, they do not have capacity to apply for funding. Is there support for them through Powys to apply for a more localised project.</p>	<p>support but that could be part of a bid to manage a project. Support from the Council would be available to them as it would for any applicant. In addition, Town and Community Councils could work together or with the third sector to prepare bids.</p>
<p>How are we publicising this fund across the county.</p>	<p>A webinar of external stakeholder consultation was undertaken. It will be important to do this at the next stage where expressions of interest are being sought and an engagement process will be developed at that stage.</p>
<p>There is a 30% virement possibility between elements of the fund. If there are more applications than funds available will you look at applications with the highest payback.</p>	<p>A funding window will be provided with a timeframe for applications. Applications are then assessed within the criteria as well as the funding pot to see if all the applications meeting the criteria can be funded.</p> <p>If the scheme is over-subscribed then some assessment scoring will be used. Often, schemes are undersubscribed so we undertake a second call for applications. If one intervention is over-bid we can look at those where there is under bidding and seek to vire funding between interventions. There is no opportunity with UK Government to ask for further funding.</p>

Outcomes:

Scrutiny made the following observations:

- The Committee were in support of the proposal and the funding this would bring to Powys over a three year period.
- The Committee was assured that:
 - the interventions identified by both Powys and Ceredigion were identical so that there was a synergy to the approach across the Mid Wales region.
 - a similar funding allocation between the three investment priorities had been determined by both authorities.
 - the management fee which could be charged by all Councils was a maximum of 4% of the funding.
 - Town and Community Councils had already been advised of the funding proposal and asked to consider projects which could be submitted for funding.
 - local Members of Parliament had been engaged to seek their support to the Powys application.
 - the balance of funding between capital and revenue funding was determined by rules set by UK Government.

- the reason that Ceredigion was the lead authority was a matter of expediency and mirrored the arrangements for the Growing Mid Wales Project.
- applications for funding would come from a mixture of the Council as well as external sources.
- that it was possible to vire up to 30% of the overall funding between the three investment areas should this become necessary.
- that where groups were unsuccessful in their funding bids that they would be provided with feedback to assist them with future bid preparation.
- that it was anticipated that there would be a blend of applications received, some of which would be for an in year project and others for projects crossing over the three years.
- The Committee suggested that:
 - the plan be clarified to show that there was an element of discretion in terms of capital funding, following a clarification that there was discretion for the Council to allocate the sum for capital funding above the 10% minimum. The advice received by the Council from UK Government was that primarily the funding was for revenue rather than capital funding.
 - that paragraph 4.3 relating to matched funding be clarified as to whether matched funding was required or not.
 - the webinar of the meeting with Town and Community Councils be circulated to Town and Community Councils as a reminder about the proposed scheme.
- The Committee expressed concern regarding:
 - the current lack of detail of how the funding might be spent based on the list of interventions, but understood that this was a very early stage in the process and the detail would follow as applications were received.
 - potential timescales imposed by UK Government which could limit the time for those seeking to make applications to prepare their bids, especially from community groups or smaller Town and Community Councils who would require support to prepare bids.
 - the maximum management fee that can be claimed by Councils might prove insufficient to administer the scheme given the value and complexity of the scheme, although there were opportunities for joint working with Ceredigion County Council which might provide efficiencies in the costs of administering the scheme.

Scrutiny Recommendations to Cabinet:

- 1 that the proposal be clarified in relation to:**
 - (a) the discretion available to the Council relating to capital funding;**
 - (b) paragraph 4.3 in relation to matched funding.**
- 2 that the webinar of the meeting with Town and Community Councils be circulated to Town and Community Councils as a reminder.**

5. WORKING GROUPS

The Committee was requested to establish the following Working Groups:

County Farms Working Group:

The following Members expressed an interest in this Working Group:

County Councillors Adrian Jones, Arwel Jones, Gary Mitchell, Karl Lewis, Bryan Davies.

(Cllr Jonathan Wilkinson was nominated as a co-optee for this Working Group)

Phosphates Working Group:

The following Members expressed an interest in this Working Group:
County Councillors Jeremy Thorp, Tom Colbert, Angela Davies.

To make the work of this working group manageable there is a need to look at the impact on Powys as well as local housing development. A development control paper has been received by the Council from Welsh Government in relation to mitigation. The Working Group needs to prioritise the areas for consideration and draw together the evidence. Whilst there are elements of evidence available they are not coming together. The Working Group might wish to take evidence from others such as the Nutrient Management Group, the Brecon Beacons National Park, the Planning Service.

HOWPS Working Group:

The following Members expressed an interest in this Working Group:
Danny Bebb, Bryan Davies, Karl Lewis.

6.	LOCAL DEVELOPMENT PLAN WORKING GROUP - OBSERVER
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The Committee was requested to nominate one Member as an observer on the Local Development Plan Working Group.

RESOLVED that County Councillor C Walsh be appointed as the Committee's observer on the LDP Working Group.

7.	SCRUTINY WORK PROGRAMME
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The Committee noted the schedule of future meetings.

County Councillor A Davies (Chair)