

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

26th July 2022

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REPORT TITLE: Shared Prosperity Fund: Submission of a Regional
Investment Plan for Mid Wales

REPORT FOR: Decision

1. Purpose

- 1.1 To seek approval to submit a Regional Investment Plan for Mid Wales to the UK Government to secure an indicative financial allocation of £27.4 million for Powys through the Shared Prosperity Fund.
- 1.2 The paper will brief Cabinet members on the content of the Regional Investment Plan including the list of prioritised interventions, financial allocations and governance arrangements.

2. Background

- 2.1 On 13th April 2022, the Department for Levelling Up, Housing and Communities ('DLUHC') issued a prospectus on the UK Shared Prosperity Fund (SPF). [Prospectus](#)
- 2.2 The overarching aim of the Fund is: "Building Pride in Place and Increasing Life Chances". There are 3 Investment Priorities:
- Communities and Place
 - Supporting Local Business
 - People and Skills (including Multiply, an adult numeracy programme)
- 2.3 SPF will be delivered by local authorities. In Wales, delivery needs to align with City and Growth Deal regions which means working in partnership with Ceredigion County Council as part of the Mid Wales region.
- 2.4 Financial allocations have been issued to all Local Authorities. Funds are primarily revenue but some capital expenditure will be expected (minimum 10% of the allocation).
- 2.5 For Powys and Ceredigion, the funding allocations are as follows:

UKSPF – Core funding

Local Authority	22/23	23/24	24/25	TOTAL
Powys	£2,755,355	£5,510,711	£14,438,062	£22,704,129
Ceredigion	£1,502,162	£3,004,324	£7,871,328	£12,377,814

UKSPF - Multiply

Local Authority	22/23	23/24	24/25	TOTAL
Powys	£1,432,785	£1,653,213	£1,653,213	£4,739,211
Ceredigion	£781,124	£901,297	£901,297	£2,583,718

- 2.6 The funding allocations have been set by UK Government, according to a methodology. Further information about the allocations can be found here: [UKSPF allocations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/uk-spf-allocations)
- 2.7 UK Government has advised that if there is any underspend, they will consider withholding the next annual instalment until they have received credible plans setting out how the lead local authority will utilise underspends in the next year and/or appropriate milestones and spend have been achieved for the previous year.
- 2.8 A one-off sum of £40,000 of development/capacity funding is being provided to the Mid Wales region – to help develop the drafting and preparation of the plan.
- 2.9 The UK Government timeline is as follows:

When	Activity
13 th April 2022	SPF Launched by UK Government
May – July 2022	Engagement work to inform content of Regional Investment Plan
July 2022	Further guidance published including guidance on monitoring benefits and evaluation, assurance, subsidy control, branding and publicity.
1 st August 2022	Deadline to submit Regional Investment Plan
August – September 2022	Assessment by UK Government of Investment Plans
October 2022	Anticipated date for first Investment Plans to be approved and first payments issued to lead local authorities
March 2025	3 year funding period ends

3. Advice

Regional Investment Plan: the requirements

- 3.1 The Regional Investment Plan for Mid Wales is a strategic document that sets out high level ambitions which identifies the outcomes that the region seeks to achieve and the interventions it wishes to prioritise. These high level ambitions can be refined and modified as the programme progresses.
- 3.2 A regional partnership group will support delivery.
- 3.3 A Lead Local Authority will have responsibility for the strategic management of the funding and delivery of the programme.
- 3.4 Delivery of the Investment Plan can be via a combination of: competitions for grant funding; procurement; commissioning and in-house delivery.
- 3.5 The Investment Plan includes information on local and regional issues, challenges and opportunities; chosen interventions; approach to delivery and governance; capacity and capability. Supplementary documents provide information about anticipated financial profiles and the outputs and outcomes.
- 3.6 Key strategic documents from each Local Authority including Wellbeing Assessment Reports have been used to inform the content of the Investment Plan.

Prioritised Interventions

- 3.7 A process of internal and external engagement has been undertaken throughout May and June including: thematic workshops; meetings with key stakeholders; cross-party working

group meetings; MP engagement; presentations at the Regional Skills Partnership and Growing Mid Wales Partnership meetings.

- 3.8 An external consultation exercise was also undertaken to capture views on which interventions should be prioritised. A total of 176 responses were received from across the region.
- 3.9 Officers have also mapped interventions against corporate priorities and other strategic documents.
- 3.10 This has resulted in the following list of interventions for inclusion within the Regional Investment Plan for Mid Wales:

Communities and Place:

Reference	Intervention Description
W1	Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.
W2	Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards such as flooding, and investment in locally owned renewable energy generation and waste management to improve the transition to low carbon living.
W3	Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features and biodiversity improvements into wider public space.
W6	Support for local arts, cultural, heritage and creative activities.
W7	Support for active travel enhancement and other small-scale green transport infrastructure projects, having regard to the Wales Transport Strategy
W9	Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
W10	Funding for local sports facilities, tournaments, teams and leagues; to bring people together.
W11	Investment in capacity building and infrastructure support for local civil society and community groups.
W13	Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
W14	Funding to support relevant feasibility studies.
W15	Investment and support for digital infrastructure for local community facilities

Supporting Local Business:

Reference	Intervention Description
W16	Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses.
W17	Funding for the development and promotion (both trade and consumer) of the visitor economy, such as local attractions, trails, tours and tourism products more generally.
W18	Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing

	SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics
W19	Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities, in both economically important and emerging areas. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices. Investment in doctoral training centres.
W21	Funding for the development and support of appropriate innovation infrastructure at the local level.
W22	Investing in enterprise infrastructure and employment /innovation site development projects. This can help to unlock site development projects which will support growth in places.
W23	Strengthening local entrepreneurial ecosystems and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.
W26	Support for growing the local social economy, including community businesses, cooperatives and social enterprises.
W28	Export Grants to support businesses to grow their overseas trading, supporting local employment and investment.
W29	Supporting decarbonisation and improving the natural environment whilst growing the local economy. Invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.
W31	Funding to support relevant feasibility studies.
W32	Funding to support progression of small businesses into productive medium sized firms.
W33	Investment in resilience infrastructure and nature based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.

People and Skills:

Reference	Intervention Description
W35	Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills provision for people who are not economically inactive and who are unable to access other training or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications.
W37	Interventions to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in community support to provide users with the confidence and trust to stay online.
W39	Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that cannot be met through mainstream funding.
W40	Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.
W41	Retraining and upskilling support for those in high carbon sectors, with a particular focus on transitioning to green, and Industry 4.0 and 5.0 jobs.

W42	Funding to support local digital skills.
W43	Funding to support engagement and softer skills development for young people, with regard to the work of Careers Wales/Working Wales.

Multiply:

Reference	Intervention Description
W47	Courses aimed at people who can't apply for certain jobs because of lack of numeracy skills and/or to encourage people to upskill in order to access a certain job/career.
W51	Courses designed to help people use numeracy to manage their money.
W53	Activities, courses or provision developed in partnership with community organisations and other partners aimed at engaging the hardest to reach learners – for example, those not in the labour market or other groups identified locally as in need.

- 3.11 Discussions are ongoing with the UK Government, Welsh Government, the Regional Skills Partnership and other key stakeholders in relation to prioritised interventions under Multiply.
- 3.12 Conversations are continuing at the time of writing this cabinet report. Officers are engaging internally across both Local Authorities and their service, their services users and external providers.
- 3.13 These list of interventions are therefore illustrative at this stage, and officers will need to reserve the right to tailor the list for submission as part of the regional plan, considering the timescales available.

Financial allocations

- 3.14 A funding profile needs to be submitted with the Regional Investment Plan outlining how the Core-SPF budget is to be distributed between each intervention. UK Government has advised that this is for planning purposes only and there will be flexibility to vire funds as the programme progresses. It is proposed that the budget is apportioned as follows:

Investment Priority	Powys allocation	Ceredigion allocation
Communities and Place	40% = £8,718,385	40% = £4,753,080
Supporting Local Business	40% = £8,718,385	40% = £4,753,080
People and Skills	20% = £4,359,192	20% = £2,376,540
Multiply*	£4,739,211	£2,583,718

**Please note that as indicated in section 2.4 Multiply has its own separate financial allocation.*

- 3.15 40% of the funding has been allocated to the Communities and Place priority as the scope of activities fundable under this priority is wider and contributes to a broader range of outcomes that Local Authorities are working towards in the region. Indicative activities that can be funded under this priority include energy efficiency schemes; creation and improvement of green spaces; town centre improvements; flooding infrastructure, cultural activities, active travel and digital connectivity. These activities tend to be more capital in nature and are likely to require more financial resource.
- 3.16 Similarly, 40% of the funding has been allocated to the Supporting Local Business priority as this activity is vital in order to make a lasting difference to the economy of Mid Wales.

3.17 Whilst every effort has been made to engage with local stakeholders and the cross party working group to determine the priority investment areas for Powys, as outlined in Appendix A, it is envisaged that further information will still be required throughout the lifetime of the Fund and allocations within the investment areas will need to be considered on a regular basis. We therefore propose that delegated decision is given to the Corporate Director.

MEMBERS OF PARLIAMENT

3.18 There is a formal role expected of Members of Parliament in the design and development of the Regional Investment Plan.

3.19 Officers have closely engaged with the relevant MPs in both Powys and Ceredigion on the principles emerging in the design of the investment plans, and will ensure their review and sign-off, prior to submission.

3.20 The UK Government also expect that MPs are involved in the delivery of the Fund, via invitation to join the local partnership group.

3.21 Senior Officers (in consultation with Council Leaders) will continue to engage with the MPs on their views on this point, and whether they choose to attend the local partnership meetings in both Ceredigion and Powys – or they elect to provide oversight via regular liaison meetings.

4. Resource Implications

4.1 Every part of the UK will receive an allocation for the years 2022-23, 2023-24 and 2024-25, for both the core UK Shared Prosperity Fund (UKSPF) and for the adult numeracy programme, Multiply. Amounts have been allocated based on the application of a funding formula - it is not a competitive process.

4.2 The Fund is primarily revenue but for each financial year, there is a **minimum** amount of capital that must be spent as outlined in the table below:

	Total	22-23	23-24	24-25
Powys (SPF Core)	£22,704,129	£2,755,355	£5,510,711	£14,438,062
4% Mgt (up to)		£110,214	£220,428	£577,522
SPF Core balance		£2,645,141	£5,290,282	£13,860,540
Min. capital		£286,556	£688,838	£2,584,413
Powys (Multiply)	£4,739,211	£1,432,785	£1,653,213	£1,653,213
4% Mgt (up to)		£57,312	£66,129	£66,129
Multiply Balance		£1,375,473	£1,587,084	£1,587,084
TOTAL (core & Multiply)		£4,020,614	£6,877,366	£15,447,624
TOTAL 4% Mgt (up to)		£167,526.00	£286,557.00	£643,651.00

4.3 Match funding is not a requirement in order to secure the funding allocation and will not form part of the investment plan assessment criteria however all lead local authorities 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. This will maximise the value for money and impact of the fund.

4.4 Officers in both Local Authorities would need to develop the detailed proposals of team structure and sizes, but the principles would be as follows:

- **Regional Team:** as small as possible, to undertake overall fund management and administration, strategic alignment and Government interface.
- **Local Teams:** adding local delivery capacity to both Economic Development teams in Powys and Ceredigion. These teams would help convene their local partnerships, undertake stakeholder and community engagement, and support project delivery. They would work with and alongside each other, and the regional team to ensure successful fund delivery.
- **Top Slicing Amount:** officers to develop the detail relating to resource requirements and funding availability – but to ensure parity with UK Government expectations, a maximum of 4% should be set. (Each lead local authority will be able to use up to 4% of their allocation by default to undertake necessary Fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement. Setting up the Fund may need a larger administration budget in the first year than in later years. This is acceptable to the UK Government as long as the percentage is not exceeded overall). The table above shows the amount of funding available to Powys for these costs.

4.5 The Head of Finance (Section 151 Officer) notes the content of the report and can support the recommendations. Further consideration of the financial implications will be required as the detailed plans are developed.

5. Legal implications

5.1 A Service Level Agreement will be signed by both local authorities setting out the partnership arrangements.

6. Data Protection

6.1 Not applicable

7. Comment from local member(s)

7.1 Town and Community Councils had an opportunity to contribute to the external consultation exercise. This was also sent to all Council Members for their input.

7.2 A Cross-party working group was established which met twice to review and discuss the investment priorities and interventions relevant to Powys.

8. Impact Assessment

8.1 The Shared Prosperity Fund will have the potential to have a positive effect on all aspects covered within the Impact Assessment. The Investment Plan will seek to improve the economic, social and cultural well-being of the community and leave a lasting positive impact.

8.2 The Integrated Impact Assessment is contained within Appendix B

9. Recommendations

9.1 To note the UK Shared Prosperity Fund Prospectus, Allocations and Key Requirements to unlock funding from UK Government.

- 9.2 To note the approach to consultation and engagement to inform the development of a Regional Investment Plan – and to approve the principles set out, to enable detailed plan drafting.
- 9.3 To approve the indicative financial allocations of 40% to Communities and Place; 40% to Supporting Local Business and 20% to People and Skills.
- 9.4 To delegate authority and authorise the Corporate Directors and Section 151 officer of both Authorities, in consultation with the Leaders of the Councils, to take the necessary decisions and actions required to finalise a related investment plan and accept the allocation of funds, as well as to implement and administer the scheme and all related plans in accordance with the requirements and priorities of the prospectus and fund.
- 9.5 To approve the split of capacity funding of £40k available to Mid Wales, 50/50 to each Local Authority – to reflect the joint working in developing the regional investment plan to date.
- 9.6 To approve Ceredigion County Council as the UK SPF lead authority for mid Wales.

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