

UK Shared Prosperity Fund

Report of the Leader

Recommended:

1. That the projects identified in Shared Prosperity Fund Investment Plan summarised in paragraph 5.3 to the report be endorsed; and
2. That the Head of Planning Policy & Economic Development be delegated to submit monitoring reports to the Department of Levelling Up, Housing and Communities (DHLUC) in consultation with the Leader; and
3. That, if required, the New Homes Bonus Reserve be used to forward fund approved expenditure until government funding tranches are released.

SUMMARY:

- To outline the projects contained within the Council's UK Shared Prosperity Fund (UKSPF) Investment Plan.

1 Introduction

1.1 As part of the Government's Levelling Up agenda two funding streams were made available, the high profile Levelling Up Fund, to which the Council submitted a bid for Andover Town Centre, and the UK Shared Prosperity Fund (UKSPF). The purpose of this report is to outline how the Shared Prosperity Fund is to be used to meet the objectives of the Council and its partners.

2 Background

2.1 The UKSPF was launched with the aim of reducing inequalities and supporting economic development and community cohesion through the provision of £2.6B of funding. The funding covers the three year period from April 2022 to March 2025, with all areas of the UK receiving a formula-based allocation. The UKSPF replaces a raft of funding previously made available under the European Structural Funds.

2.2 The aim of the scheme is to support the UK government's Levelling Up commitment through three investment priorities (or themes): (a) Communities and place; (b) Supporting local business; and (c) People and skills. There is no set percentage split of how much funding should be spent against each of the three investment priorities.

2.3 A conditional financial allocation has been awarded to the Council of £1M. The funding is conditional upon the receipt of a satisfactory Investment Plan. In order to draw down this funding the Investment Plan needed to detail the local challenges and opportunities to economic growth and community cohesion. It also needed to identify proposed interventions (or projects) and outcomes under three themes of the Shared Prosperity Fund.

- 2.4 The finalised Investment Plan was submitted to the Department of Levelling Up, Housing and Communities (DLUHC) on the 1st August 2022 to meet the Government's deadline. This was done in consultation with the Leader.
- 2.5 There is no match funding requirement (unlike the Levelling Up Fund bid) and the UKSPF is not a competitive process. DHLUC will appraise the Investment Plan and it is anticipated that this will be undertaken by October 2022 based on the DHLUC timetable.

3 Corporate Objectives and Priorities

- 3.1 The projects contained within the Investment Plan touch on each of the four objectives of the corporate plan. There is also a significant connection with the objectives of Council strategies including the Climate Emergency Action Plan; interim Economic Strategy; and the principles of the two town centre masterplans.

4 Consultations/Communications

- 4.1 Officers have engaged directly with those external bodies such as the Health sector, Andover College, and University of Southampton Science Park whose ambitions link with the UKSPF themes.

5 UKSPF Investment Plan

- 5.1 In order for the Investment Plan to be successful it needs to identify interventions (or projects), and the necessary funding, in order to target those areas of Test Valley with deficiencies in line with the Government's Levelling Up Agenda. It is not a fund that can be distributed equally across the Borough but is aimed at creating opportunities in the context of supporting our communities, improving skills and supporting the local economy. The breadth of the projects listed below will meet one or a combination of these themes as required by the UKSPF.
- 5.2 The Investment Plan has been influenced and guided by the objectives of existing Council strategies and the shared aims of our partners. The solid structures of partnership and place based working which exists within the Borough provides a degree of confidence that the projects identified can be delivered.
- 5.3 The projects included in the Investment Plan are:-
- a) A contribution of £240,000 towards extending the teaching facilities within the Andover College campus to help deliver T-Level 3 courses in Construction Skills, Bricklaying and Carpentry.
 - b) Working with health sector colleagues a contribution of £280,000 to deliver a new Health Hub within the Chantry Centre, Andover. Whilst providing a facility in the short and medium term the creation of a health hub will also help inform any future accommodation requirements as part of the longer term town centre regeneration. The hub will be complemented by the creation of outreach worker posts, which will be part funded by a £110,000 contribution. Together they will help to address the wider determinants of poor health through early intervention and prevention within the most deprived communities in the Borough.

- c) Provide a £100,000 fund for community energy efficiency and decarbonisation projects across the Borough.
- d) Provide a £140,000 budget to support technological, process and nature-based innovation within our local rural land based businesses to enable measures to be introduced that reduce their carbon footprint.
- e) Supporting the University of Southampton Science Park's Catalyst Programme in conjunction with the University of Southampton Science Park and Hampshire County Council. The £30,000 grant to the programme will help provide innovation led business with commercial expertise and experience through mentoring and peer support with world class business leaders.
- f) A £100,000 fund to help deliver those projects identified by Romsey Future which help improve the public realm, deliver environmental and infrastructure improvements and increase footfall and visitors numbers to the town.

5.4 The milestones, expectations and outcomes of these projects will be monitored every six months by DLUHC with the possibility of qualitative updates on a more frequent basis also required. It is proposed that these monitoring reports are considered by the Test Valley Economic Partnership Board prior to submission.

6 Risk Management

6.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

7 Resource Implications

7.1 The £1M will be phased over the next three years:

2022/2023	2023/2024	2024/2025
£66,000	£132,000	£802,000

7.2 As there is sufficient certainty that the funding will be received there is the option to use Council reserves from the New Homes Bonus to forward fund the projects in order to prevent unnecessary delay.

7.3 Revenue budgets will be updated to reflect the cost of interventions that are revenue expenditure. Interventions that will be classified as capital expenditure will be included in the next Capital Programme update.

7.4 It will be necessary to establish grant application mechanisms for some of the projects. Officers are considering what the best approach for considering and determining grants is. It is anticipated that this process can be met from within existing budgets. However, where this may cause resource implications for those particular projects the UKSPF indicates that authorities will be able to use up to 4% of their allocation to undertake necessary administration, such as project assessment, monitoring and evaluation and ongoing stakeholder engagement. Whether this is required will be kept under review.

8 Legal Implication

8.1 There are no legal implications arising from this report.

9 Equality Issues

9.1 There are no equality issues arising from this report.

10 Other Issues

10.1 Sustainability and Addressing a Changing Climate – the two projects relating to reducing the carbon footprint of rural business and supporting community energy efficiency schemes across the Borough both directly help address climate change.

10.2 Wards/Communities Affected – whilst some of the projects are specifically related to the Andover and Romsey wards, all wards have the potential to benefit from the Borough wide project.

11 Conclusion and reasons for recommendation

11.1 The Government has allocated £1M to the Council through the UK Shared Prosperity Fund. This report summarises the projects identified which best meet the UKSPF guidance and connect with the objectives of the Council and its partners.

Background Papers (Local Government Act 1972 Section 100D)

UK Shared Prosperity Fund: prospectus (1st August 2022)

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:

0

File Ref:

N/A

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Report to:

Cabinet

Date:

14 September 2022