

Brighton & Hove City Council

Policy & Resources Committee

Agenda Item 112

Subject: The UK Shared Prosperity Fund

Date of meeting: 19 January 2023

Report of: Executive Director – Economy, Environment & Culture

Contact Officer: Name: Mark Fisher
Email: Mark.Fisher@brighton-hove.gov.uk

Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 This report outlines the Investment Plan for the UK Shared Prosperity Fund (UKSPF or the Fund) in Brighton and Hove, totalling £1.766m for local investment by March 2025. It provides an overview of the interventions and outcomes planned between now and March 2025, delivering against three key investment priorities - Communities & Place, Supporting Local Business, and People & Skills - as provided by the Department for Levelling Up, Housing and Communities (DLUHC).
- 1.2 The UKSPF is a central pillar of the government's Levelling Up agenda and a significant component of its support for building pride in places and increasing life chances. The funding has been allocated by DLUHC to all areas of the UK via a funding formula rather than a competition, recognising that even the most affluent parts of the UK contain pockets of deprivation and need support.

2. Recommendations

That the committee:

- 2.1 Agree that the UKSPF grant award for Brighton and Hove is spent in line with the Investment Plan, as approved by the Department for Levelling Up, Housing and Communities on 5 December 2022, and summarised in Appendix 1
- 2.2 Delegate authority to the Executive Director – Economy, Environment & Culture, to take the necessary decisions and actions to oversee delivery of the UKSPF Investment Plan. This includes implementing and administering the scheme and the resulting projects in accordance with the requirements and priorities of the government prospectus and Fund;
- 2.3 Note that an annual report on the progress of the Investment Plan will be brought to this committee;
- 2.4 Note the oversight and evaluation arrangements for the Fund.

3. Context and background information

3.1 Brighton and Hove's UKSPF Investment Plan was submitted to government on 1 September 2022 and approved by DLUHC on 5 December 2022. The total allocation for Brighton and Hove is £1.766m spread over three years (2022-2025).

3.2 The grant award includes a mixture of capital and revenue funding linked to planned interventions across the three years under each stated UKSPF priority:

Priority 1: Communities & Place. This priority will support the restoration of community spaces, strengthening the social fabric of communities and creating the foundations for economic development at the neighbourhood-level.

Priority 2: Supporting Local Business. This priority will enable local businesses to thrive, innovate and grow.

Priority 3: People & Skills. This priority will help reduce the barriers some people face to employment and support them to move towards employment and education.

3.3 All three priorities align specifically to the Levelling Up mission: by 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing. Detail of the interventions and projected spend under each of these priorities is included in Appendix 1. The interventions are designed to address identified local challenges and opportunities.

3.4 There is flexibility over how the Fund is delivered; this can be through a programme of grants, direct procurement, commissioning or in-house delivery. Most interventions will be delivered via calls for projects/activities and the award of grants, but some interventions will involve directly funded programmes of support. Further detail on the intended delivery mechanisms for each intervention is included in Appendix 1.

4. Oversight and evaluation of the Fund

4.1 The Council is expected to have the necessary governance and assurance arrangements in place for administering the Fund and ensuring that all legal and other statutory obligations and consents are adhered to. As part of the first monitoring return in February 2023 a statement will be included on the management controls in place to mitigate the risk of fraud; ensure funding is used in line with UK subsidy legislation; and ensure any procurement undertaken complies with public procurement rules and contract standing orders.

- 4.2 The selection and contracting process for projects funded under the Investment Plan will also include mechanisms to recover funds where beneficiaries are not complying with the Fund parameters, their legal obligations, or locally agreed requirements. DLUHC will be notified of any current or emerging operational or financial risks, issues and contingency measures. These will be tracked and reported to DLUHC via regular monitoring processes thereafter. As a result, DLUHC can decide to enhance the level of support they provide, increase the level of monitoring required, and/or reduce the fund delegation.
- 4.3 Every six months a formal report on the Fund is required by DLUHC. To support further understanding of progress DLUHC will also request qualitative, summary updates on a quarterly basis. DLUHC's monitoring and evaluation framework will focus on understanding the Fund's impact on pride in place and life chances. This will be through programme, place, and intervention level evaluation, including surveys, case studies and data analysis that will require input from Brighton and Hove City Council.
- 4.4 The Council is expected to capture and hold data sets to support monitoring, in addition to the formal reporting requests. This may include unique identifiers for project beneficiaries to enable government-led causal impact evaluations. The collection, storage and controlled sharing of any personal or identifiable data will be undertaken in accordance with the General Data Protection Regulation. In addition, the Council will conduct process evaluations of each funded project to demonstrate how effective the interventions have been and to learn what worked in terms of delivery.
- 4.5 The local strategic partnerships - Economic Partnership, Learning and Skills Partnership and Destination Experience Group - under Brighton and Hove Connected will oversee overarching progress on delivery of the Investment Plan, ensuring the Fund objectives are being achieved through the programme. The range of partners involved in the group provide access to local insight and expertise to ensure a strategic approach is taken when responding to local need and opportunity through the Fund interventions.
- 4.6 To manage the practical implementation of the Investment Plan a programme management approach will be deployed. Relevant skilled officers will lead the activities required under each Fund priority, coordinated by a programme manager paid for by the Fund.
- 4.7 An annual report on the Fund outputs and outcomes will be provided to the Policy & Resources Committee.

5. Analysis and consideration of alternative options

- 5.1 The UKSPF prospectus outlines clear investment priorities and prescribes a range of interventions through which local authorities can direct funding for activities/projects. Each intervention was assessed in the context of Brighton and Hove's challenges and opportunities, following engagement with local partners. Only those interventions with a clear rationale, that could

demonstrate value for money and deliver strong outcomes for the city, were put forward in the Investment Plan.

6. Community engagement and consultation

- 6.1 The Investment Plan and indicative outputs and outcomes have been informed by two key stages of assessment: a review of relevant strategies and plans for the city and three stakeholder consultation meetings centred on the UKSPF priorities of Community & Place, Supporting Local Business and People & Skills, held in June 2022. The consultations were well attended by organisations across the public and private sectors, and civil society.
- 6.2 Using evidence from the initial review stage, a long list of identified challenges and opportunities were presented at the workshops for partners to consider, rank, and align with the UKSPF priorities. The actions and activities discussed at the workshops were grouped together under relevant interventions specified in the Fund prospectus, providing a genuine opportunity for local partners to shape the Investment Plan.
- 6.3 The Council also engaged with the Brighton & Hove Economic Partnership in July at their meeting of the Executive Team. This ensured wider input from key representatives across private, higher education and third sectors in the city.
- 6.4 Local MPs and lead Councillors were also invited to feed back on the Investment Plan before submission to DLUHC. Proactive engagement with MPs will continue throughout delivery of the Fund, including through regular reviews and meetings of the partnership group.

7. Conclusion

- 7.1 The aim of the UKSPF is to help communities across the country, support people living or working in the UK, and help businesses operating in the UK. It is intended to enable truly local decision making and better target the priorities that are specific to Brighton & Hove. However, it is a small sum of money and the government have prescribed the priorities, leaving limited scope for local interpretation. There is also limited funding available to support officer time for delivery.
- 7.2 It is the government's ambition that through implementing the Fund interventions, there should be visible, tangible improvements to the places where people work and live. There should also be investment in human capital, giving communities reasons to be proud of their city.
- 7.3 Interventions will be as detailed in Appendix 1. Where it meets the Fund criteria, and with the approval of DLUHC, the funds will support in-house activity which is not statutory. Other activities and projects to deliver the interventions will be identified through open calls for organisations to provide services and proposals.

8. Financial implications

- 8.1 The total funding allocated under the UKSPF for Brighton & Hove is £1.766m. This will be drawn down each year as follows:
- 2022/23: £214,330 (£25,000 capital, £189,330 revenue)
 - 2023/24: £428,659 (indicative £142,598 capital, £286,061 revenue)
 - 2024/25: £1,123,087 (indicative £444,944 capital, £678,143 revenue)
- 8.2 Funding for years 2023-2024 and 2024-2025 will be paid on the basis that monitoring and evaluation information submitted to DLUHC demonstrates delivery of expected outputs, outcomes and spend for the previous financial year. Where this falls short, DLUHC have stated that there must be a realistic plan to address under-performance, agreed with the Secretary of State, otherwise further payments may be reduced or withheld. No funding will be provided for activity related to the Investment Plan after 31 March 2025 and all of the UKSPF funding must be included within the 2024-25 accounts by the end of the funding period otherwise underspends will need to be repaid to the Secretary of State.
- 8.3 In accordance with the declaration signed as part of the Investment Plan, the council accepts responsibility for meeting any costs over and above the UKSPF allocation agreed in the annual grant determination. This includes potential cost overruns and the underwriting of any funding contributions expected from third parties.
- 8.4 The oversight and evaluation arrangements set out in this report provide assurance that appropriate processes are in place to ensure proper administration of financial affairs relating to the UKSPF allocation.
- 8.5 Any proposed grants to local organisations and SMEs under the Fund will be less than the minimal financial assistance permitted under the UK Subsidy Control regime (which commences 4 January 2023). The organisations receiving grants will be asked to declare that they have not received other funding which would mean they exceed the relevant threshold. As these organisations operate on a small scale in the local area, it is not expected that the proposed grants will amount to subsidies under the subsidy control regime.
- 8.6 The programme manager will track spend and grant awards to ensure subsidy is within the stated rules. DLUHC has awarded an additional £20,000 capacity funding to support the costs of this staff resource in 2022-23. It is unclear whether this will continue in future years, so a portion of the available funds will need to be set aside to support ongoing management of the UKSPF locally.

Name of finance officer consulted: Jill Scarfield Date consulted: 21/12/2022

9. Legal implications

- 9.1 Proposed interventions funded by the UK Shared Prosperity Fund will need to comply with the Subsidy Control Act 2022. Where the funding is used to commission third part organisations or procure service provision, the Council will need to comply with its Contract Standing Orders and the Public Contracts Regulations 2015. The Council will need to comply with the grant conditions imposed by Government.

Name of lawyer consulted: Alice Rowland Date consulted: 15/12/2022

10. Equalities implications

- 10.1 A wide range of stakeholders were consulted to shape the priorities in the Plan, with a deliberate focus on engaging communities and underrepresented groups.
- 10.2 The challenges that the Plan seeks to address have a particular focus on inequality, including health inequalities, barriers to work and progression, and digital exclusion. Organisations that can best communicate these inequalities, as present in Brighton & Hove (e.g. homelessness, poverty), were specifically invited to the stakeholder workshops.
- 10.3 An initial Equality Impact Assessment for the Investment Plan is in Appendix 2 and will continue to evolve as interventions are implemented and evaluated. The grant application process will include equality questions which will be considered when evaluating applications.

11. Sustainability implications

- 11.1 The Investment Plan is shaped around priorities that are most important for the city. This includes sustainability and in particular, a focus on decarbonisation and addressing the climate challenge. At least one intervention under each of the UKSPF priorities listed in the Investment Plan is focused on supporting this agenda.

12. Public health implications

- 12.1 Health inequalities have been considered a key driver for the interventions listed in the Investment Plan. The Healthwatch Annual report 2020-21 informed the outputs and outcomes proposed under Communities & Place and People & Skills. It is intended that the creation and improvement of open spaces under this Fund will benefit all residents and visitors, especially those who are reliant on such spaces for outdoor amenity and exercise. Increasing digital inclusion provides the chance to improve access to education, learning, health, income benefits and employment.

Supporting Documentation

1. Appendices

- Appendix 1 – Overview of UKSPF interventions and projected spend in Brighton & Hove's Investment Plan

- Appendix 2 – UKSPF Equality Impact Assessment

2. Background documents

- The UKSPF Prospectus, available online at www.gov.uk

