

Allerdale Borough Council

Executive – 23 November 2022

UK Shared Prosperity Fund – Governance Arrangements

Rural England Prosperity Fund – Submission of Proposals

Portfolio holder	Councillor Mike Johnson Leader, Economic Growth, Community Development and Place Making Portfolio
Report from	Brendan Carlin, Assistant Chief Executive (Innovation and Commercial)
Wards affected	All wards
Is this a key decision	Yes

1.0 The reason for the decision

- 1.1 Following the submission of the Investment Plan for the UK Shared Prosperity Fund to Government for approval, it is necessary to confirm the governance arrangements relating to the delivery of the proposed investment.

2.0 Recommendations

- 2.1 That an Allerdale UKSPF Investment Panel be established to include the Assistant Chief Executive (Innovation and Commercial) and the Programme Director (Workington) and a finance representative to determine the appropriate commissioning route for each intervention theme and to make funding recommendations following the appraisal of business cases.
- 2.2 That following consideration of recommendations from the Allerdale UKSPF Investment Panel funding awards are agreed by the Leader of the Council in consultation with the S151 Officer and Monitoring Officer.

2.3 That members delegate the submission of the REPF addendum to the Investment Plan to the Assistant Chief Executive (Policy, Performance and Economic Strategy) in consultation with the Leader of the Council, Chief Executive, the Monitoring Officer and the Section 151 Officer.

3.0 Background and Introduction

3.1 The £2.6 billion UK Shared Prosperity Fund launched in April 2022. The fund is a key part of the Government's Levelling Up agenda and will provide funding for investment between 2022 and 2025.

3.2 The UKSPF replaces European funding programmes and has been allocated at a district council level via a funding formula rather than through a competitive process. Allerdale Borough Council has been allocated £3,842,852.

3.3 The overarching objective of the fund is to build pride in place and increase life chances. This objective is underpinned by three investment priorities:

- Community and Place
- Supporting local business
- People and skills

3.4 Allerdale Borough Council was required to develop an Investment Plan for approval by HM Government. As required by Government, in developing the Investment Plan the Council collaborated with the other authorities that will make up Cumberland Council from 1 April 2023 as well as engaging with a range of key stakeholders who may be involved in delivery of activity through the UKSPF. The consent of the Cumberland Shadow Authority was also required.

3.5 At a meeting on 22 July 2022 the Executive agreed to delegated authority to submit the Investment Plan to the Assistant Chief Executive (Policy, Performance and Economic Strategy) in consultation with the Leader of the Council, the Chief Executive, the Monitoring Officer and the Section 151 Officer. The Investment Plan was subsequently submitted to Government on 26 August 2022.

3.6 The report considered by Executive on 22 July advised that a future paper would set out proposals to establish an accountable body process and a decision-making process for the programme.

3.7 Following the submission of the Investment Plan, Government has announced the 'Rural England Prosperity Fund' (REPF) which is a top up to the UKSPF which is intended to support activities that address the particular challenges rural communities face. Allerdale has been allocated £1,298,210 for spend in 2023/24 and 2024/25. The Council is required to submit an addendum to the Investment Plan by 30 November 2022.

3.8 The addendum will set out how the REPF will be allocated having regard to a list of interventions, objectives, outputs and outcomes set out by Government. The delivery of the REPF interventions in the Allerdale area will be the responsibility of

the new Cumberland Council and as with the Investment Plan the Council is working closely with Copeland Borough Council and Carlisle City Council to develop the proposal. Consent is also required from the Cumberland Shadow Authority. As with the Investment Plan this paper seeks approval from the Executive to delegate the submission of the REPF addendum to the Investment Plan to the Assistant Chief Executive (Policy, Performance and Economic Strategy) in consultation with the Leader of the Council, Chief Executive, the Monitoring Officer and the Section 151 Officer.

4.0 Content

- 4.1 In the first year of delivery of the UKSPF programme (2022/23) it is for Allerdale Borough Council to determine how the funding from UKSPF will be allocated locally, assess and approve applications, process payments and monitor the programme on a day-to-day basis. From 1 April 2023 this will become the responsibility of Cumberland Council.
- 4.2 The Investment Plan submitted to Government makes a funding allocation of £466,366 for the current financial year (2022/23). It is therefore important to ensure that an appropriate decision-making mechanism is in place to enable this funding to be allocated and for delivery of the programme to be commenced within this timescale.
- 4.3 Local authorities have flexibility over the management of the fund, and it is envisaged that a mix of competitions for grant funding, commissioning or delivery of activity through in-house teams will be used.
- 4.4 The Investment Plan submitted to Government set out that the programme will be managed by the Council's internal Programme Office to provide assurance of decision-making processes and provide assessment on submissions to the fund to support decision making in line with the Council's current processes but tailored to the requirements of UKSPF.
- 4.5 The Investment Plan also set out that, subject to a future report to Executive, it was proposed that final decisions in investments will be delegated to a small sub-group that will consist of the Leader of the Council, the Chief Executive, S151 Officer and Monitoring Officer. This report seeks to formalise this proposal and the associated delivery arrangements.

5.0 Delivery arrangements

- 5.1 The Investment Plan sets out a proposed funding allocation for each year of the programme against a number of intervention themes.
- 5.2 The funding through UKSPF is a combination of revenue and capital funding with £180,000 capital funding and £286,366 revenue in 2022/23.

Capital

Improvements to town centre high streets	£90,000
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Enhancing exiting cultural, historic & heritage institutions offer	£50,000
Local sports facilities, tournaments, teams & leagues	£20,000
Open markets & town centre retail and service sector	£20,000
Revenue	
Local arts, cultural, heritage, & creative activities	£30,000
Local sports facilities, tournaments, teams & leagues	£10,000
Open markets & town centre retail and service sector	£30,000
Development & promotion of visitor economy	£30,000
Strengthening local entrepreneurial ecosystems	£40,000
Business support measures to drive employment growth	£71,366
Employment support for economically inactive people	£75,000

- 5.3 It is proposed that an Allerdale UKSPF Investment Panel be established comprising the Assistant Chief Executive (Innovation and Commercial) and Programme Director (Workington) that, in consultation with the Leader of the Council, will determine the appropriate commissioning route for each intervention theme. This could be through competition or direct commissioning, which could include direct delivery by the Council's internal teams.
- 5.3 Where a competition has been identified as the most appropriate commissioning route there will be a 'call for projects' inviting the submission of expressions of interest/business cases. Where direct commissioning is proposed, including by internal teams, the submission of a business case will be invited which should be proportionate to the level of funding proposed.
- 5.4 As part of a commission to support the development of the Investment Plan, Mott MacDonald are developing a set of prioritisation criteria which will provide a robust basis for appraising expressions of interest and business cases. The prioritisation criteria will enable proposals to be assessed in relation to the strategic fit against the intervention criteria, local challenges and opportunities, affordability, deliverability and value for money.
- 5.6 The appraisal of business cases will be co-ordinated by the Council's Programme Office which brings together specialist finance, legal, project management and procurement resource and drawing in support from other internal departments as necessary. The programme office will have the ability to procure external support to assist with the appraisal of proposals if required.
- 5.7 Following the appraisal of business cases, proposals will be put forward for consideration by the Cumberland Local Partnership Group, which was established in accordance with UKSPF requirements and includes representatives from Carlisle City Council, Allerdale Borough Council and Copeland Borough Council, Cumbria

County Council, local colleges and educational providers, Chamber of Trade, arts and culture representatives, Cumbria Local Enterprise Partnership, DWP/Job Centre Plus, Cumbria Police, local business representatives and Members of Parliament for the Cumberland area. Thereafter, and subject to any comments received from the Local Partnership Group, a funding recommendation will be made by the Allerdale UKSPF Investment Panel with the decision to award funding made by the Leader of the Council in consultation with the S151 and Monitoring Officers.

- 5.8 The award of funding will be subject to completion of a Grant Funding Agreement or Service Level Agreement between the Council and delivery partners depending on the nature of the project to be supported.
- 5.9 The Programme Office will identify a Project Manager for each project supported through UKSPF who will monitor the drawdown of funding, the implementation of projects and the monitoring of outcomes. Regular update reports will be provided to the Council's internal Programme Board who will provide oversight of the UKSPF Programme.
- 5.10 As part of the LGR process transitional arrangements will be put in place following vesting day on 1 April 2023 when the new Cumberland Council will assume responsibility as accountable body for the UKSPF. This will ensure the continued delivery of the programme in the Allerdale area in line with the agreed Investment Plan.

6.0 Implications and Impact

6.1 Contribution to Council Strategy Priorities, Outputs and Outcomes

The UKSPF provides the council with an opportunity to augment existing activity and support new activity to support the following themes within the Council Strategy:

- Invest to grow
- Thriving towns and villages
- Resilient communities

6.2 Finance/Resource implications

The overall funding for the UKSPF programme in the Allerdale Area is £3,842,852 with an allocation of £466,366 for 2022/23.

The Council is able to utilise 4% of the funding allocation to manage the delivery of the fund. This may be required to support additional resource within the Programme Office given existing pressures resulting from LGR and the delivery of the Workington and Maryport regeneration programmes. The funding may also be used to procure external support to assist in the appraisal of business cases if required.

6.3 Legal and governance implications

Allerdale Borough Council will be the accountable body for the delivery of the UKSPF programme for Allerdale in 2022/23.

As part of the appraisal of business cases it will be necessary to ensure that projects comply with the provisions of the UK subsidy control regime.

It will be necessary to enter into grant funding agreements or service level agreements with delivery partners. Such agreements will provide mechanisms for ensuring delivery of project outputs, monitoring performance and expenditure, as well as clawback provisions in the event that becomes necessary.

6.4 Risk analysis

A scored and mitigated risk log

Risk	Consequence	Controls required	Mitigated score
Insufficient or low-quality project proposals received.	Delay in programme delivery	Engagement with stakeholders to support development of project	2
Delay in approving funding proposals	Delay in programme delivery	Ensure appraisal and approval process is agreed and implemented.	2

6.5 Increasing satisfaction and service

This funding will not directly impact on current Allerdale service delivery but will enable the Council and partner organisations to secure funding that can bring about improvements to their services and deliver new projects that will benefit Allerdale residents and businesses.

6.6 Equality impacts

Equality impacts assessments will be completed for projects supported through the UKSPF.

6.7 Health and Safety impacts

There are no health and safety impacts arising from this report.

6.8 Health, wellbeing and community safety impacts

Individual projects supported through the UKSPF may have the potential to make a positive impact on health, wellbeing and community safety.

6.9 Environmental/sustainability impacts

Individual projects supported through the UKSPF may have environmental and sustainability impacts.

6.10 Other significant implications

There are no other significant implications arising from this report.

Appendices attached to this report

Appendix number	Title of appendix
1	UK Shared Prosperity Fund Allerdale Investment Plan

Background documents available

Name of background document	Where it is available

Report author(s) and contact officer(s):

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