



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Cabinet

Thursday 28th July 2022

Report of the Head of Property and Regeneration – S. Brennan

Matter for Decision

Wards Affected: All Wards

UK Shared Prosperity Fund

Purpose of the Report:

To update Members on the UK Shared Prosperity Fund and to seek Members approval on the UK Shared Prosperity Fund regional Investment Plan for the south west Wales region and the lead local authority for the region for the purposes of the UK Shared Prosperity Fund.

Executive Summary:

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government's Levelling Up agenda. The fund provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

This report provides a background to the Fund including the priority areas for funding, governance arrangements and the Investment Plan process.

Background:

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government’s Levelling Up agenda. The fund provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

The fund will replace *some* aspects of European Structural and Investment Funds and will invest in domestic priorities and target funding where there is evidence of need including:

- Building pride in place
- Supporting high quality skills training
- Supporting pay, employment and productivity growth
- Increasing life chances

The Fund is a mix of revenue and capital funding and will be ‘unlocked’ via a three year Investment Plan. The Neath Port Talbot UKSPF allocation over 3 years, from April 2022 to March 2025 is:

Neath Port Talbot allocation

NPT	Core	Multiply	Total
	28,448,295	5,938,236	34,386,531

Less 4% administrative fee for Lead Body

NPT	2022/23	2023/24	2024/25	Total
Core	4,201,594	7,352,790	15,755,979	27,310,363
Multiply	877,032	1,534,806	3,288,869	5,700,707

UKSPF Investment Priorities and Interventions

Communities and place

The overall objectives of this investment priority are:

- Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and community-led projects.
- Building resilient, safe and healthy neighbourhoods, through investment in quality places that people want to live, work, play and learn in, through targeted improvements to the built environment and innovative approaches to crime prevention.

Supporting local business

The overall objectives of this investment priority are to:

- Creating jobs and boosting community cohesion, through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.
- Promoting networking and collaboration, through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses to undertake new-to-firm innovation, adopt productivity-enhancing, energy efficient and low carbon technologies and techniques, and start or grow their exports.

People and skills

The overall objectives of this investment priority are to:

- Boosting core skills and support adults to progress in work, by targeting adults with no or low level qualifications and skills in maths, and upskill the working population, yielding personal and societal economic impact, and by encouraging innovative approaches to reducing adult learning barriers.
- Reducing levels of economic inactivity through investment in bespoke intensive life and employment support tailored to local need.
- Supporting people furthest from the labour market to overcome barriers to work by providing cohesive, locally tailored support, including access to basic skills.
- Supporting local areas to fund gaps in local skills provision to support people to progress in work, and supplement local adult skills provision e.g. by providing additional volumes; delivering provision through wider range of routes or enabling more intensive/innovative provision, both qualification based and non-qualification based. This should be supplementary to provision available through national employment and skills programmes.

Multiply

In Wales, Multiply will be delivered as part of the single UKSPF Investment Plan. Areas will be required to set out how they then intend to deliver Multiply interventions which must align with Welsh national curriculum and learning approaches and aligned to the UKSPF People and Skills priority area and interventions.

UKSPF Interventions

There are a number of pre-approved interventions linked to each of the three priorities and projects will be developed in line with these flexible interventions.

UKSPF Governance

The UKSPF's interventions will be planned and delivered by local authorities (delegated delivery model) working with local partners via a number of delivery models.

Governance – UK level

Overall implementation of the Fund will be led by the Department for Levelling Up, Housing and Communities, working in partnership with a range of UK Government departments. It will be managed through a UK-wide ministerial forum, with the responsibility to oversee the delivery of the Fund. It will monitor investment and overall performance, and ensure coherence with wider UK Government and devolved administration provision.

Governance - Regional level

Neath Port Talbot is included in the 'South West Wales / Swansea Bay' strategic regional area.

The UKSPF prospectus states that each area agrees a lead local authority who will submit the Investment Plan and be responsible for fund administration. Each lead local authority will be able to use up to 4% of the regional fund allocation to undertake necessary Fund administration e.g. project assessment, contracting and monitoring.

Whilst each local authority will play an active role in facilitating the Fund it is proposed that the City and County of Swansea be designated the lead local authority for the purposes of the UKSPF.

The City and County of Swansea have in recent years facilitated a number of regional projects of a similar level to this fund, for example the Welsh Government Transforming Towns programme and accordingly are able to provide the necessary resources that will be appropriate for the fund. This approach is being proposed to all

Cabinets throughout the region and is endorsed by officers throughout the neighbouring authorities.

Suitable arrangements will be put in place to facilitate the Neath Port Talbot elements of the UKSPF via the Neath Port Talbot Council Strategic Funding Programmes Office and the role of the City and County of Swansea will be to oversee administration of the fund only.

Governance – local level

The UK government recognises that access to local insight and expertise is essential for each place to identify and address need and opportunity and respond with the right solutions for each place. Local partnerships will be a core component of how the Fund will be administered locally and will include a range of local stakeholders including: civic society organisations, employer bodies responsible for identifying local skills plans, and businesses. Local authorities should involve MPs in every stage of UKSPF planning and delivery.

UK Government requires comprehensive and balanced local partnerships. The Neath Port Talbot local governance arrangements for UKSPF will be based on the Neath Port Talbot Local Economic Forum with extended membership and revised Terms of Reference to ensure it is fully representative and that its terms of reference meet the Fund's needs.

UKSPF Investment Plan

To order to access UKSPF funding, lead local authorities need to submit an Investment Plan, setting out how they intend to use and deliver the funding. The Investment Plan has been developed in conjunction with local stakeholders via local partnership structures. Investment Plans will need to be agreed by UK government to unlock the allocations.

In Wales, Welsh Government and the Office of the Secretary of State for Wales will be involved in the preparation of Investment Plans.

The Investment Plans need to be submitted via an online portal by 1st August 2022.

A regional working group has been established to develop the regional Investment Plan. It was agreed that each local authority would develop a local Investment Plan which would then be subject to consultation via the local partnership structures and key partners to ensure local opportunities and needs are included in the local Investment Plan, which will feed in to the regional Investment Plan. The Neath Port Talbot local Investment Plan is aligned to the Neath Port Talbot Corporate Plan, Neath Port Talbot Economic Recovery Plan and Wellbeing Assessments.

The Investment Plan is a high level document which identifies challenges and opportunities at a local area supported by evidence.

The regional Investment Plan is at **Appendix 2**.

Financial Impacts:

No implications.

Integrated Impact Assessment:

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016).

The first stage assessment has indicated that a more in-depth assessment is not required. A summary is included below.

Section 7 – Declaration of the IIA states:

In line with Neath Port Talbot IIA screening form guidance, it has been determined that a full assessment is not appropriate in this instance, as the scheme will have a low impact on protected characteristics.

Valleys Communities Impacts:

The nature of the proposed Investment Plan will have a positive impact on the valley communities and is aligned to the Neath Port Talbot Corporate Plan, Neath Port Talbot Economic Recovery Plan and the Wellbeing Assessments.

Workforce Impacts:

The Strategic Funding Programmes Team will manage the Fund at the local level, and recruitment is in progress to ensure sufficient resource is in place.

All UKSPF projects will need to ensure appropriate resource is included in the application for funding.

Legal Impacts:

No implications. Though it should be noted that any procurement activities will be carried out in accordance with the requirements of the Public Contract Regulations 2015.

Risk Management Impacts:

There are no risk management issues associated with this report. The UKSPF application form will require applicants to develop a risk register which will be managed as part of the project plan. Due diligence checks will be carried out.

Consultation:

This item has been subject to external consultation. The UKSPF prospectus outlines the consultation requirements, the following consultation has taken place:

Consultation event	Date
NPT Economic Recovery Workshop	9/06/2022
NPT Local Economic Forum – extended meeting	29/06/2022
Third Sector Strategy Group	30/06/2022
Christina Rees MP	13/06/2022
Stephen Kinnock MP	17/06/2022
David Rees MS	01/07/2022
Jeremy Miles MS (written)	06/07/2022
Regional Consultation	18/07/2022

A UKSPF engagement plan has been developed and is in delivery.

Neath Port Talbot UKSPF projects

UK government issued additional guidance in relation to project delivery on 19th July 2022. This guidance will provide the framework to inform how areas carry out project selection.

UKSPF projects can allocate a % of UKSPF to resource projects effectively.

Timeline

Date	Activity
13/04/2022	UKSPF Fund launch
April – July 2022	Investment Plan development and consultation with local partners and regional / national stakeholders.
May – June 2022	Lead Authority to be agreed. Local and Regional Governance to be agreed and established.
30/06/2022 – 01/08/2022	Investment Plan submissions window.
From October 2022	First payments expected to lead local authorities.
April 2022 – March 2025	UKSPF funding period.

Recommendations:

It is recommended that, having due regard to the Integrated Impact Assessment screening:

1. Members agree the regional Investment Plan as detailed in this report at Appendix 2.
2. Members agree that City and County of Swansea Council are the designated lead local authority for the purposes of the UKSPF.
3. Delegated authority be granted to the Director of Environment and Regeneration in consultation with the Leader and relevant Cabinet

Member(s) to approve the final regional Investment Plan for submission to UK government by 1st August 2022 deadline.

4. Delegated authority be granted to the Director of Environment and Regeneration in consultation with the Chief Finance Officer, the Leader and relevant Cabinet Member(s) to enter into grant agreements or associated documentation that might be necessary to draw down funding from the UKSPF.

Reasons for Proposed Decision:

To enable City and County of Swansea to formally submit the UKSPF Investment Plan on behalf of the south west Wales region and to enable Neath Port Talbot Council to enter into funding agreements with organisations to deliver UKSPF projects.

Implementation of Decision:

The decision is an urgent one for immediate implementation, subject to the consent of the relevant Scrutiny Chair (and is therefore not subject to the call-in procedure.)

Appendices:

Appendix 1 - IIA

Appendix 2 - regional Investment Plan

List of Background Papers:

Links to UKSPF key documents:

UKSPF Prospectus

[UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/105422/UKSPF_Prospectus.pdf)

UKSPF Frequently Asked Questions

[UK Shared Prosperity Fund: frequently asked questions - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/105422/UKSPF_Frequently_Asked_Questions.pdf)

UKSPF allocations

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

UKSPF allocations methodology

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

UK SPF interventions, outputs and indicators

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators>

Multiply for Scotland, Wales and Northern Ireland

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/multiply-in-scotland-wales-and-northern-ireland>

Levelling Up White Paper

<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

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