



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **Cabinet**

**Wednesday 19<sup>th</sup> October 2022**

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

#### **Matter for Decision**

**Wards Affected:** All Wards

#### **UK Shared Prosperity Fund – Implementation**

##### **1. Purpose of the Report:**

To seek Members approval on the proposed implementation of the UK Shared Prosperity Fund in Neath Port Talbot, ensuring consistency with the South West Wales region.

##### **2. 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 and overview to the Fund and sets out the proposed implementation of the Fund. The report follows on from the July 2022 Cabinet report where Members approved the

UKSPF regional Investment Plan which was subsequently submitted to UK government and is due for approval in October 2022.

### 3. Background and overview of UK Shared Prosperity Fund:

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:

#### 3.1 Neath Port Talbot allocation

<b>NPT</b>	<b>UKSPF Core</b>	<b>Multiply</b>	<b>Total</b>
	28,448,295	5,938,236	34,386,531

*Less 4% administrative fee for Lead Body*

<b>NPT</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
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

## **3.2 UKSPF Investment Priorities and Interventions**

There are 3 UKSPF Investment Priorities:

- 1) Communities and place
- 2) Supporting local business
- 3) People and skills

In addition to core UKSPF funding, there is funding specific to 'Multiply' which is currently focused on adult numeracy, however there is on-going discussion to allow more flexibility in the use of the Multiply fund.

## **3.3 UKSPF Interventions<sup>1</sup>**

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

## **3.4 UKSPF Outputs and outcomes<sup>2</sup>**

There are specific outputs and outcomes which need to be delivered by UKSPF projects and these outputs and outcomes will be monitored and reported.

## **3.5 UKSPF Governance**

The City and County of Swansea is the designated lead Local Authority for the purposes of the UKSPF in the South West Wales region.

Neath Port Talbot Council's Strategic Funding Programmes Team is leading the implementation of the UKSPF for the county borough.

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<sup>1</sup> <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators>

<sup>2</sup> <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators>

In line with the UKSPF prospectus, local partnerships will be a core component of how the Fund will be administered locally and need to have a comprehensive and balanced membership. The Neath Port Talbot local partnership arrangements for UKSPF are being finalised and will be a consultative / advisory partnership.

The Local Authority Regional Directors Group will provide regional endorsement for the SPF projects in the South West Wales region.

Neath Port Talbot Cabinet will have the decision making role in respect of the UKSPF in Neath Port Talbot.

### **3.6 UKSPF Investment Plan**

The regional Investment Plan was prepared by the four local authorities in South West Wales and submitted to UK government in August 2022 and is due for approval in October 2022.

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

Members approved the regional Investment Plan at the Cabinet meeting in July 2022.

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

## **4. Implementation**

Work is progressing on the implementation of the UKSPF programme on a regional basis to provide as much commonality as possible and consistency with the implementation statement in the regional Investment Plan and UKSPF guidance. This work is aligned to the following principles:

- That we must achieve a rapid start to ensure allocations are fully taken up each year of the UK Shared Prosperity Fund (UKSPF) programme;
- That implementation will be devolved to the local level, despite the programme being structured around a regional plan and with a regional lead;
- That so far as possible, we minimise the number of legal agreements and SLAs in part by taking advantage of Department for Levelling Up, Housing and Communities (DLUHC) guidance that we can deliver in-house if we wish;
- That 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.

## **Proposed implementation**

To ensure an evidence based, targeted approach to delivering the UKSPF it is proposed that the following implementation approach is adopted based on four delivery models:

### **4.1 Anchor Projects**

These are thematic projects managed by anchor teams that will address the challenges and opportunities in the Investment Plan and will deliver major parts of the Investment Plan.

Each Anchor project will be delivered by an anchor team and co-ordinated through a local board / partnership structure to include organisations involved in the delivery of the UKSPF priority area.

The proposed anchor projects for Neath Port Talbot are:

- Place
- Valleys and villages
- Sustainable communities
- Economic development

- Employability
- Skills

Anchor projects need to determine how they add value to other funding programmes and investments in the area including Levelling Up Fund, national employment support programme, existing skills provision, Welsh Government business support programmes, City Deal projects and programmes, etc.

#### **4.2 Third party grant schemes**

Third party grant schemes will be integrated into the anchor projects to ensure alignment and complementarity of provision with the anchors and UKSPF priorities and will address the challenges and opportunities identified in the Investment Plan. In some areas grant schemes may be run by the sector such as a Third sector grant scheme, however there would be an expectation that the organisation running such schemes would report to the Anchor team. It is envisaged that in each Local Authority these will provide:

- Grants to voluntary and community groups (also town and community councils) under the Communities and Place theme.
- Grants to businesses under the Supporting Local Businesses theme for capital equipment and innovation to improve productivity, achieve decarbonisation and reduce waste, plus range of other options along business development cycle. Wage subsidies may be funded if targeted on disadvantaged workers.
- Grants primarily to the third sector and private sector to support activity previously supported by national provision e.g. employability.

#### **4.3 Standalone projects**

These will be invited by competitive bidding rounds to fill clear gaps in delivering the Investment Plan and meet local need, align to anchor projects, and are not being met by 1 and 2 above.

#### **4.4 Commissioned projects**

These will be specified and procured to deliver precisely defined activity that is not being fulfilled by 1, 2 and 3 above.

#### **4.5 Project Development**

Local Authorities have already started collating information on proposed UKSPF projects provided by Council officers and key strategic partners. These are not bids or applications for funding, but simply provide an indication of the types of projects that the Council and other organisations may wish to deliver, and also the magnitude of resources needed.

Officers have also been contacted by national (primarily Welsh) and some very local organisations seeking funding. We envisage that the best way of small local organisations accessing UKSPF will be through grant schemes, hence the intention to put these in place as quickly as possible. National bodies will be able to compete for funding for standalone or commissioned projects.

#### **4.6 Cross-cutting Themes**

It is anticipated that the cross-cutting priorities of Neath Port Talbot's Corporate Plan and Local Economic Recovery plan are reflected wherever possible in all UKSPF activity including Net zero and sustainable growth.

#### **4.7 Anchor projects – initial proposals**

The table below starts to map out how each UKSPF Priority will be delivered in Neath Port Talbot. It is a working document and will be

developed further following stakeholder consultation as the implementation work progresses.

The Skills anchor project also needs further consideration and dialogue with FE and HE as to the most appropriate delivery mechanisms to align to the gaps identified in the regional skills plan.

<b>SPF Priority</b>	<b>Proposed Anchor Project</b>	<b>Proposed activity</b>
<b>Communities &amp; Place</b>	Place	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Master planning</li> </ul>
	Valleys & villages	<ul style="list-style-type: none"> <li>• Valleys &amp; villages growth fund</li> </ul>
	Sustainable communities	<ul style="list-style-type: none"> <li>• Sustainable communities growth fund</li> <li>• Third Sector Growth Fund</li> </ul>
<b>Supporting local business</b>	Economic development	<ul style="list-style-type: none"> <li>• Business growth fund</li> <li>• Sector development</li> <li>• SME support</li> </ul>
<b>People and skills</b>	Employability	<ul style="list-style-type: none"> <li>• Employment support</li> <li>• Third sector employability grants fund</li> </ul>
	Skills incl multiply	<ul style="list-style-type: none"> <li>• Basic skills</li> <li>• Green skills (based on gaps identified in the regional skills plan)</li> </ul>



## 5. Timeline

<b>Date</b>	<b>Activity</b>
13/04/2022	UKSPF Fund launched
April – July 2022	Investment Plan development and consultation with local partners and regional / national stakeholders
August 2022	Investment Plan submitted to UK government
August – October 2022	South West Wales regional working group developing UKSPF implementation plan, processes and governance structures.
October 2022	Investment Plan approval by UK government Finalise the design of the Anchor projects Key stakeholder engagement of Anchor projects
Winter 2022 / 23	Anchor project mobilisation period Launch grant schemes
March 2025	End of UKSPF funding period

## 6. Financial Impacts:

No implications.

## **7. 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.

See **Annex 1** for IIA

## **8. 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.

## **9. 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.

## **10. 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.

## **11. 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.

The Strategic Funding Programmes Team will programme manage the UKSPF in Neath Port Talbot to ensure compliant and effective delivery.

## **12. Consultation:**

This item has been subject to external consultation. The following consultation has taken place:

<b>Consultation event</b>	<b>Date</b>
NPT Local Economic Forum – extended meeting	29/09/2022
Regional Local Authority Regeneration Directors	06/10/2022

A UKSPF engagement plan has been developed and is in delivery with regular engagement with local, regional and national stakeholders.

## **13. Recommendations:**

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

- 1) Members agree the Implementation Plan as detailed in this report.**

- 2) **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.**
- 3) **Members to note that a report will follow seeking agreement on the Neath Port Talbot Anchor projects.**

**14. Reasons for Proposed Decision:**

To enable Neath Port Talbot Council to develop anchor projects and formally submit to the assessment process

**15. 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.)

**16. Appendices:**

Appendix 1 - IIA  
Appendix 2 - regional Investment Plan

**17. List of Background Papers:**

**UKSPF Prospectus & additional information**

[UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

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