



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

Appendix 3 - Only

Not for publication pursuant to Regulation 5(2) & (5) of Statutory Instrument 2001 No. 2290 and Paragraph 14 of Part 4 of Schedule 12A to the Local Government Act 1972. Pursuant also to Paragraph 21 of the Schedule, and in all the circumstances of the case, the public interest in maintaining the exemption, is considered to outweigh the public interest in disclosing the information. This is in relation to Appendix 3 of this report

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Cabinet

Thursday 19th January 2023

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

Matter for Decision

Wards Affected: All Wards

UK Shared Prosperity Fund – Approval of strategic ‘anchor’ projects

1. Purpose of the Report:

To seek Members approval on the Neath Port Talbot strategic ‘anchor’ projects to be funded by the UK Shared Prosperity Fund.

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 seeks Members approval of the five Neath Port Talbot strategic 'anchor' projects to be funded by the Neath Port Talbot UKSPF allocation.

This report follows on from the July 2022 Cabinet report where Members approved the UKSPF regional Investment Plan, which was subsequently submitted to UK government in July 2022 and approved by UK government in December 2022, and the October 2022 Cabinet report where Members approved the UKSPF Implementation Plan and proposed strategic 'anchor' projects.

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

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

Less 4% administrative fee for Lead Body and regional reallocation of administrative fee.

NPT	2022/23	2023/24	2024/25	Total
Core	3,314,364	6,628,729	17,367,270	27,310,363
Multiply	1,723,470	1,988,619	1,988,619	5,700,708

3.2 UKSPF Investment Priorities and Interventions

There are three UKSPF Investment Priorities:

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

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

3.3 UKSPF Interventions¹

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

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

3.4 UKSPF Outputs and outcomes²

There are specific outputs and outcomes which need to be delivered by UKSPF projects. These outputs and outcomes will be monitored and reported to UK government on a regular basis.

There will be programme level evaluation in line with the UK government's evaluation strategy.

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.

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 UKSPF projects in the South West Wales region.

An internal Neath Port Talbot Council programme board has been established chaired by the UKSPF Senior Responsible Owner (SRO) for Neath Port Talbot, to ensure appropriate governance and monitoring arrangements are in place.

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

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. It was approved in December 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 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.

To ensure a strategic, targeted and evidence based 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**
- **Enhanced Business Support for Growth & Innovation**
- **Employability**

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.

5. Neath Port Talbot strategic ‘anchor’ projects for Approval

As reported in the report to Cabinet on 19th October 2022, Neath Port Talbot Council officers have been developing strategic ‘anchor’ projects to deliver key areas of the Investment Plan. Officers have consulted widely with key stakeholders on these projects to ensure added value and to avoid duplication with existing programmes. The projects are aligned to UK government guidance to ensure compliance including procurement and subsidy control.

5.1 A summary of the projects is below:

Strategic ‘anchor’ project	Summary description	Officer lead	Project cost / UKSPF request
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<p>Place</p>	<p>The Place 'anchor' project comprises 4 interlinked elements:</p> <p>Valley Industrial Units – construction of 14 new business units in 3 locations within our valleys areas</p> <p>Aberavon Seafront Masterplan – to provide a strategic basis on which investment decisions can be made and development opportunities identified.</p> <p>Neath Port Talbot Heritage, Culture & Tourism Fund – a fund to facilitate the delivery of priority heritage, culture and tourism priorities.</p> <p>Place Marketing Campaign - raising the profile of Neath Port Talbot as an alternative year round visitor destination, and seeking to change perceptions of Neath Port Talbot as a place to live, work and visit</p>	<p>Andrew Collins</p>	<p>£6,300,000</p>

<p>Valleys & Villages</p>	<p>The Valleys & Villages Prosperity Fund ('VVPF') anchor project seeks to address the decline in our rural areas and will fund projects that create sustainable growth in our rural communities and enhance our valleys and villages as places to live, visit and work.</p> <p>The £2m grant fund will be established in early 2023 followed by an open call for eligible projects.</p> <p>The fund will be flexible in terms of geography and activity, although projects in our Valleys and Villages will be priority providing they demonstrate local need and respond to at least one UKSPF intervention.</p> <p>Eligible Activity:</p> <ul style="list-style-type: none"> • Commercial Property Grants • Residential Units (Conversion) • Green Infrastructure & Biodiversity • Public realm 	<p>Andrew Collins</p>	<p>£2,000,000</p>
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	<ul style="list-style-type: none"> • Strategic Acquisitions • Town Centre Markets • Shop Frontage Schemes • Digital Towns • Active Travel • Leisure & Recreational facilities 		
Sustainable Communities	<p>The Sustainable Communities Anchor Project comprises 4 interlinked project interventions to support the needs of our communities:</p> <p>Sustainable Communities Growth Fund – The £1m SCGF will increase the support offered to the communities of Neath Port Talbot, addressing areas of need with a focus on the themes of Poverty and Equalities with the aim of supporting growth in our communities. The fund will be flexible, with an initial focus on:</p> <ul style="list-style-type: none"> • Poverty, including the cost of living crisis • Transport 	Angeline Spooner Cleverly	£2,964,954

	<ul style="list-style-type: none"> • Equalities • Youth Activity • Community safety <p>Third Sector Growth Fund – The £1m Third Sector Growth Fund will be managed by Neath Port Talbot CVS to provide grant support for voluntary organisations, charities and social enterprises in Neath Port Talbot. The focus of the grant is on:</p> <ul style="list-style-type: none"> • Skills development, with a focus on young people • Supporting social enterprises • Enhancing rural connectivity • Supporting community assets • Community based measures to support the cost of living crisis • Supporting the circular economy. <p>Poverty Coordination – The Poverty coordination activity will provide resource to coordinate</p>		
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	<p>services across the county borough to enhance support for households and gain intelligence about what additional support is needed to support our communities to inform the development of a Poverty Plan.</p> <p>Youth activity – There are 2 youth interventions: Upstream Cymru Youth Project - to develop a school based youth homelessness project</p> <p>Community youth project – to work with communities to build and support youth provision working in partnership with key stakeholders.</p>		
Enhanced Business Support for Growth & Innovation	The Enhanced Business Support for Growth and Innovation (EBSGI) anchor project builds on the success (and lessons learned) from the more recent UK Community Renewal Fund 'Supporting Business Growth & Innovation'	Julie Davies	£4,857,465

	<p>programme delivered by the council's Economic Development team.</p> <p>Delivery will be focused on five key areas:</p> <ul style="list-style-type: none"> • Support indigenous growth in key sectors • The Foundational Economy • Financial and specialist support • Feasibility studies • Developing and implementing Social Value policies to support the delivery of Community Benefits. <p>It is proposed that the EBSGI anchor project consists of 8 strands;</p> <ul style="list-style-type: none"> • Grant Fund. • Support for Innovation & Growth in Key Sectors. • Supporting the next generation of entrepreneurs. • Local Supply Chain Assessment for 		
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	<p>Floating Offshore Wind (FLOW).</p> <ul style="list-style-type: none"> • Clean Growth Hubs Phase 2. • Neath Port Talbot Strategic Positioning. • NPT Profiling – Innovation and economic opportunities. • Specialist Support. 		
Employability	<p>The Employability anchor project will provide a holistic 'one council' approach to employability across the county, complimenting existing provision, and it is proposed that it will focus on five key strands of activity.</p> <ul style="list-style-type: none"> • School Based Employability & Wellbeing. • Early Engagement activity. • Preparation for Work. • Paid Work Opportunities. • In Work Support. 	Kerry Jones	£5,548,170

5.2 Strategic 'anchor' project assessment process

Initial assessment

The Strategic Funding Programmes Team carried out an initial assessment of projects in October 2022.

External assessment

An external assessment was conducted by Jack Straw in November 2022.

Neath Port Talbot UKSPF Programme Board assessment

The Neath Port Talbot UKSPF Programme Board met on 12th December to review the five strategic 'anchor' projects and agreed to endorse the projects and submit them to Cabinet for formal agreement.

Formal assessment

The Strategic Funding Programmes Team carried out a formal final assessment in January 2023, which was moderated by the Strategic Funding Programmes Manager.

6. Next steps

Skills

The region is currently developing an implementation plan for the skills priority to ensure a targeted approach to delivering skills challenges and opportunities identified in the Investment Plan. There is approximately £3.5m UKSPF allocation available for the Skills priority

Multiply

There is on-going discussion at a UK level to seek to allow more flexibility in the use of the Multiply funding allocation. Once details have been finalised the region will develop an implementation plan to ensure the Multiply funding is targeted at those challenges and opportunities identified in the Investment Plan

Open call for projects

Once the anchor projects have been approved, there will be a competitive call for projects to fill clear gaps in delivering the Investment Plan that meet local need, align to the strategic 'anchor' projects, and do not duplicate the anchor projects or third party grant schemes. It is expected this will take place in February 2023.

7. Timeline

Date	Activity
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.
Autumn 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 Open call for projects
December 2024	Projects delivery to complete
March 2025	End of UKSPF funding period

8. Financial Impacts:

No implications.

9. 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 Appendix 1 for IIA

10. 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.

11. 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.

12. Legal Impacts:

Any procurement activities will be carried out in accordance with the requirements of the Public Contract Regulations 2015.

Swansea Council, as lead authority for the south west wales region has entered in to a Memorandum of Understanding (MoU) with UK

government regarding the administration and delivery of the UKSPF including the release of annual funding allocations for the region. Each partner local authority will enter into a Service Level Agreement with Swansea Council to ensure compliance with the MoU and to receive their annual funding allocation.

13. 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.

14. Consultation:

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

Consultation event	Date
NPT Local Economic Forum – extended meeting	29/09/2022
Regional Local Authority Regeneration Directors	06/10/2022
NPT Local Economic Forum	10/10/2022
All Members Seminar	14/10/2022
Cabinet	19/10/2022
Third Sector Strategic Forum	05/12/2022

A UKSPF engagement plan is in development to ensure regular engagement with local, regional and national stakeholders.

15. Recommendations:

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

- 1) Members agree the five Neath Port Talbot strategic 'anchor' projects as detailed in this report, to be funded by the Neath Port Talbot allocation of the UK Shared Prosperity Fund and to commence delivery of the strategic 'anchor' projects prior to the inter local authority Service Level Agreement is finalised.**
- 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 agree third party grant criteria and approve third party grant awards via the UKSPF funded grant schemes with regular reporting to Cabinet.**
- 3) 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 agree any necessary changes to projects to allow flexibility to adapt to challenges and opportunity with regular reporting to Cabinet.**
- 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 agree to launch an open call for projects under the Skills and Multiply priorities and to target those areas of the Investment Plan not being delivered by the strategic 'anchor' projects (as**

detailed in the 'Implementation' section of this report, with regular reporting to Cabinet.

16. Reasons for Proposed Decision:

To enable Neath Port Talbot Council to implement the UKSPF Implementation Plan and commence project delivery.

17. Implementation of Decision:

The decision is proposed for implementation after the three day call in period.

18. Appendices:

- Appendix 1 - IIA
- Appendix 2 - regional Investment Plan
- Appendix 3 – Strategic anchor project application forms. (Exempt Under Paragraph 14) Annexe A referred to in these documents are detailed spreadsheets and contain a lot of information and are available on request. (These documents are Exempt Under Paragraph 14 and not available for the Public to view.)

19. List of Background Papers:

UKSPF Prospectus & additional information

UK Shared Prosperity Fund: prospectus - GOV.UK (www.gov.uk)

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