

Business Board		Agenda Item
4 March 2024		3.3
Title:	UK Shared Prosperity Fund and Rural England Prosperity Fund Update	
Report of:	Alexa Hamilton, UKSPF Programme Manager	
Lead Member:	Chair of the Business Board, Al Kingsley	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	No vote required	

Recommendations:

A	To note the updates contained in this report.
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Enabling resilient communities
X	Achieving best value and high performance

1. Purpose

1.1	This report provides an update on the progress made in delivering the UK Shared Prosperity Fund (UKSPF) Programme and Rural England Prosperity Fund (REPF) Programme to the Business Board.
1.2	The dashboards in appendices attached to this report provide the Business Board with an update on the programme's spend and outputs so far for the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF).

2. Update

2.1	Current context and challenges The CPCA is currently being funded by UKSPF for 38 projects, of which 22 are for community and place, 12 for local business, and 4 for People and Skills. However, there has been a slow mobilisation from the award announcement, which caused delays in funding agreements and procurement, resulting in a late start for several projects.
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	<p>In Year 1 (22-23), CPCA was allowed to roll over its spend into Year 2 (23-24), and it was paid for both years in advance. However, in Year 3, there is a new process for claiming funding by DLUHC. Funds will not be paid upfront, and the CPCA will be claiming in arrears based on actual spend of claims paid to projects.</p> <p>This means that for the CPCA, 75% of Year 3 payment will be paid retrospectively, while 25% will be paid upfront. The CPCA and the project delivery partners have 13 months to deliver all remaining spend on projects to draw the allocated budget.</p> <p>For REPF, as with USKPF, there was a delay in approval of the addendum from the announcement – the MOU was issued on 30th May 2023, which caused delays in funding agreement and procurement, resulting in a late start for several projects.</p>
2.2	<p>In December, the UKSPF budget profile showed an increase in spending from 16% to 25%. This resulted from a meeting with all districts to stress the importance of submitting claims. Officers closely monitor all projects in collaboration with local authorities. Milestones have been agreed upon, and monthly and quarterly meetings are being held to evaluate the progress.</p>
2.3	<p>A report has been submitted to the government that shows the actual expenditure for the first time since June 2023. The reason for the delay was some challenges faced by DLUHC. In addition, DLUHC has introduced a new reporting system for UKSPF and REPF, where we report on actual spending and deliverables.</p> <p>We have observed a surge in submitted claims from December 2023 to January 2024. Recent feedback from districts suggests that a similar level of high submission is expected as we approach the end of the financial year.</p>
2.4	<p>CPCA will offer officer input to the local grant committees set up for the four REPF districts. This ensures that the grant applicants undergo a proper scrutiny and assurance process. Additionally, this will help facilitate a faster claims processing turnaround for the grant awardees.</p>
2.5	<p>Project delivery-level monitoring</p> <p>Monthly meetings have been scheduled with the districts to discuss potential operational risks and issues that may arise during the project. Each district portfolio will be discussed during these meetings, and honest assessments will be made regarding remaining delivery expectations and outcomes.</p> <p>A newly developed dashboard has been implemented, enabling a more detailed analysis of each project within the program. It also provides up-to-date information on both deliverables and spend.</p>
2.6	<p>Programme strategic-level monitoring</p> <p>CPCA has recently launched a project dashboard to improve the visibility of its ongoing projects for better internal and external reporting. The UKSPF reporting framework is divided into themes, interventions, projects, and district levels. The new dashboard will provide a more concise and clear presentation of this information. You can find the dashboard attached as Appendix 1 to this report.</p> <p>Districts are providing quarterly milestone timelines, which will be used to determine funding eligibility. Quarterly meetings will be held to assess progress against the set milestones. If any project is lagging in achieving its milestones, in particular spend, decisions may be taken to allocate the funding to existing successful projects that are ahead or, as a last resort, to other "oven-ready" schemes to avoid an underspend at end of programme period and loss of funds from DLUHC to the CPCA area.</p> <p>The new dashboard provides a comprehensive strategic overview of the entire programme, which can help make informed decisions.</p>
2.7	<p>Current Risks</p> <p>The government's late announcement of the programme left us minimal time to make progress on thirty-eight projects across six local authorities. This has raised concerns around delivery capacity and ability to meet the closing deadline. However, CPCA Officers are providing support to ensure that we have enough time to evaluate the risks involved, and we will work to mitigate them wherever possible.</p> <p>In addition to the delay in the original government announcement and subsequent issuing of funding agreement to CPCA, there have been further delays mobilising at District level and in receiving claims from them to CPCA for payment, due to the S151 Officers in each District delaying sign-off.</p> <p>We are conducting a milestone capture exercise to assess and address the risks associated with each project delays and spending projections to determine which projects need attention, intervention, and</p>

management. Officers aim is to achieve the agreed spending targets and deliverables by the deadline of 31 March 2025 as set by DLUHC.

Currently, the programme status is as follows: 5 projects have not yet started, 31 projects have claims not yet submitted, and 4 projects will be completed first between April 2024 - June 2024.

3. Background

3.1 UK Shared Prosperity Fund (UKSPF)

The Combined Authority approved the UK Shared Prosperity Fund (UKSPF) Local Investment Plan (LIP) on 27 July 2022. The Local Investment Plan was developed in partnership with the district and unitary councils and was coordinated through the Cambridgeshire & Peterborough Public Services Board (CPPSB). The LIP was submitted to the Department for Levelling Up, Housing and Communities (DLUHC) on 29 August 2022 and approved by DLUHC on 5 December 2022.

3.2 The table below sets out the UKSPF allocations for the local authorities the number of projects and value under each of the three themes:

	Communities & Place		Supporting Local Business		People & Skills	
	2022-2025		2022-2025		2024-2025	
	Number	Value	Number	Value	Number	Value
Cambridge City	3	£395050	1	£247,871.00		
East Cambridgeshire District Council	3	£430,000.00	2	£319,850.95	1	£90,000.00
Fenland District Council	3	£205,000.00	1	£908,000.00		
Huntingdonshire District Council	4	£798,896.00	3	£455,000.00		
Peterborough City Council	4	£1,591,671.98	2	£574,000.00		
South Cambridgeshire District Council	3	£964,662.50	2	£200,000.00		
Joint Project HDC, CC, & SCDC			1	£708,396.00		
Joint Project CC, & SCDC	1	£150,000.00				
CPCA Wide	1	£25,000.00			3	£1,347,850.00

NB The administration fee of 4% is not included in the above figures

3.3 The implementation plan for UKSPF was approved at the Business Board and Combined Authority Board in March 2023.

3.4 Rural England Prosperity Fund (REPF)

On 3 of September 2022, the Department for Environment, Food, and Rural Affairs (DEFRA) partnered with DLUHC to launch the Rural England Prosperity Fund (REPF). This capital fund scheme aims to support new and existing rural businesses in developing new products and facilities to benefit the local economy. The eligible combined authority worked with local lead authorities to develop an Addendum to the UKSPF Local Investment Plan. During its meeting on the 10th of July 2023, the Business Board endorsed the Rural England Prosperity Fund addendum and recommended its approval to the Combined Authority Board. The Addendum outlines how they will support farm businesses looking to diversify their income streams, improve community infrastructure, and provide essential community services and assets for the local people and businesses.

3.5 The table below sets out the REPF allocations for the relevant rural local authorities:

District	Year 1	Year 2	Total
East Cambridgeshire	£163,127.75	£489,383.25	£652,511.00

	Fenland	£109,178.50	£327,535.50	£436,714.00
	Huntingdonshire	£239,447.00	£718,341.00	£957,788.00
	South Cambridgeshire	£292,033.50	£876,100.50	£1,168,135.00
NB REPF does not include any funding allowance provided by DLUHC to cover administration costs				
3.6	The implementation plan for REPF was approved at the Business Board and Combined Authority Board in July 2023.			

4. Appendices

4.1	Appendix 1 – UKSPF Dashboard Appendix 2 – REPF Dashboard
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5. Implications

Financial Implications

5.1	This paper provides an update on the progress of projects that have already been funded by UKSPF and REPF, and it does not commit any new resources.
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Legal Implications

6.1	<p>The Combined Authority is the Accountable Body for the two funding programmes formally awarded through DLUHC.</p> <p>The Combined Authority has signed a formal funding agreement with DLUHC for contractual delivery of both UKSPF and REPF.</p> <p>The downward project delivery partners have signed grant funding agreements with the Combined Authority for their projects being funded from UKSPF and REPF, this covering legal obligations for delivery and basis for any claims to be paid.</p> <p>Year 3 funding payments are to be paid retrospectively, with funding to be spent by 31st March 2025. Any funding, not evidenced as spent by this date, may be subject to clawback by DLUHC.</p>
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Public Health Implications

7.1	There are no specific public health implications for the UKSPF programme, although several projects within it may impact public health as a by-product of their focused work.
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Environmental & Climate Change Implications

8.1	There are no specific environmental and climate change implications associated with the UKSPF programme, although some projects within the programme will impact the environment and climate.
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Other Significant Implications

9.1	None.
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Background Papers

10.1	UKSPF Investment Plan - CA Board 27 July 2022 UKSPF Implementation Plan - CA Board 22 March 2023 REPF Approval paper – Business Board July 2023
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