

UK Shared Prosperity Fund Implementation Plan

To: Business Board

Meeting Date: 13 March 2023

Public report: Yes

Lead Member: Chair of the Business Board, Alex Plant

From: Finance Manager, Bruna Menegatti

Key decision: No

Recommendations: The Business Board is recommended to:

Note the content of the paper for information.

1. Purpose

1.1 The paper is an update on the UK-Shared Prosperity Fund (SPF). This paper covers progress to January 2023 including:

- Development of detailed project applications and subsequent due diligence.
- Development of contract documentation.
- Development of the Implementation Plan.
- Governance of the Implementation plan and performance reporting.

2. Background

2.1 The Combined Authority approved the SPF Local Investment Plan (LIP) on the 27th July 2022, the Local Investment Plan had been developed in partnership with the district and unitary councils and was co-ordinated through the Cambridgeshire & Peterborough Public Services Board (CPPSB). The LIP was submitted to DLUHC on the 29th August 2022 and approved by DLUHC on the 5th December 2022.

2.2 Whilst awaiting approval of the LIP we further developed the project proposals from partners and carried out due diligence checks. This is in line with the CPCA Assurance Framework and forms part of the guidance issued by DLUHC for the SPF. During this time partners identified projects that could be delivered together creating efficiencies and projects that were no longer seen as required reducing the number of projects from 46 to 39 projects.

2.3 The original outputs & outcomes set out in the LIP have been maintained within the reduced projects and the financial spend profile set out by DLUHC has been maintained:

- Year 1 – £1,198,134 (12%)
- Year 2 – £2,396,268 (24%)
- Year 3 – £6,278,222 (64%)

We have maintained the required minimum capital spend as set out in the LIP which equates to:

- Year 1 (min 10%) - £299,538 (25%)
- Year 2 (min 13%) - £729,237 (30%)
- Year 3 (min 20%) - £1,317,007 (21%)

2.4 The development of the SPF Implementation Plan has been completed; the plan includes:

- Outline of the projects to be delivered,
- Agreed outputs & outcomes as per the LIP
- Governance arrangements
- Monitoring & evaluation

2.5 The projects sit within 3 themes and are split across the Region as shown below:

	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

2.6 The administration fee associated with UK-SPF was set at 4% the Implementation Plan sets out how the admin fee will be split 50/50 with the districts & unitary authority. The table below sets out the administration split.

	Admin
Cambridge City	£25,934.76
East Cambridgeshire	£20,932.96
Fenland	£25,996.78
Huntingdonshire	£39,138.44
Peterborough	£50,508.34
South Cambridgeshire	£34,941.18
CPCA admin allocation	£197,452.46

2.7 The approval of the LIP by DLUHC was followed by the Memorandum of Understanding and 2 Letters of Determination, covering the capital funds and revenue funds. The MOU was signed on the 12th December 2022; included in the Letter of Determination is an indication of flexibility regarding year 1 spend and the potential to carry forward any underspend into year 2. This opportunity requires submission of a Project Change Request (PCR) and clear indication of how the funds will be spent over the subsequent 2 years of SPF. We are already developing the outline proposal for the carry forward request with partners.

- 2.8 The Implementation Plan sets the benchmark upon which the CPCA will report to DLUHC in terms of spend, intervention, outputs and outcomes and upon which any potential PCRs will be based.

3. Next steps for delivery and governance of the plan

- 3.1 The Implementation Plan will be presented to the following groups:
- CPPSB – 28th February 2023 - for information and update. The CPPSB adopted the role of the SPF Local Partnership Board for the SPF and were heavily involved in the formation of the LIP and the projects that are proposed within it.
 - Skills Committee – 6th March 2023 – update and recommendation to CA Board of the Implementation Plan.
 - Business Board – 13th March 2023 – for information and update.
 - CA Board – 22nd March 2023 – for final sign off.
- 3.2 There is an expectation from DLUHC that any changes to delivery priorities, outputs and outcomes will result in a revised LIP; there is also an opportunity to request an increase in the administration element of the programme which is currently 4% of allocated core SPF and split equally between the CPCA and the districts & unitary authority.
- 3.3 The following amendments will be made to the LIP on submission of the first report to DLUHC in March 2023:
- An increase in management fee for SPF will be sought to cover the additional Rural England Prosperity Fund (REPF) allocation that is expected to be managed through the SPF programme but without its own dedicated management fee being provided by Government, this will be a topslice affecting only the districts receiving REPF.
 - A request to carry forward Year 1 underspend into Year 2 across all local authority projects accompanied by a detailed proposal to cover how those funds will be managed and spent in Year 2.
- 3.4 The split in administration fees between the CPCA and the district and unitary authority enables the oversight of projects at several levels and ensures assurance in the programme.

Significant Implications

4. Financial Implications

- 4.1 The financial split for SPF is set out above, there are minimum capital requirements and DLUHC have allocated the spend split over the 3 years. The core SPF brings in £9.8m into the CPCA split across the districts and unitary authority as allocated by DLUHC. The funds are paid upfront to the CPCA, but allocated out to the partners retrospectively against actual spend.

- 4.2 The projects have been through a due diligence process that looked at the value for money as part of the assessment. We are currently working through the Subsidy Control issues some of the projects may be party to.
- 4.3 The CPCA retains responsibility for the delivery of the SPF programme and will be required to submit regular updates to DLUHC on performance and spend. This is in line with the MOU and Letters of Determination.
- 4.4 The 4% administration fee is shared equally between the CPCA and districts & unitary authority as set out above in 3.2. This enables both parties to the programme to carry out appropriate compliance checks and deliver the assurance and monitoring of projects required.

5. Legal Implications

- 5.1 The SPF LIP was approved at Combined Authority Board, authority to enter into the MOU was delegated. The MOU and the terms enclosed within the Letters of Determination have been reflected in the contract documentation being developed with the districts and unitary authority.
- 5.2 The draft Grant Funding Agreement that will be in place for each project is currently being reviewed by the legal teams in the districts and unitary authority, final version will be available for signing by the 28th February 2023.
- 5.3 There is currently work being carried out on the issue of Subsidy Control, the CPCA have taken expert advice on the position of projects within SPF which will be shared with the districts and unitary in order that they are able to seek suitable project specific advice. The government have issued specific advice relating to SPF and Subsidy Control which is forming part of the consultation we are undertaking.

6. Public Health implications

- 6.1 There are no specific public health implications for the SPF programme, although a number of projects within it may impact on public health as a by-product of their focused work.

7. Environmental and Climate Change Implications

- 7.1 There are no specific environmental & climate change for the SPF programme, although a number of projects within it will impact on the environment & climate as a result of projects focused work.

8. Other Significant Implications

- 8.1 The SPF LIP was consulted on widely with partners via the CPPSB and the engagement with the districts and unitary authorities.

9. Appendices

- 9.1 Appendix 1a – Detailed Proposals for Delegation
- 9.2 Appendix 1b – UK Shared Prosperity Fund Reporting and Performance Management
- 9.3 Appendix 2 – UK SPF Implementation Plan

9. Background Papers

- 9.1 [UKSPF Investment Plan - CA Board 27 July 2022](#)