



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.3

Shared Prosperity Fund Investment Plan

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	27 July 2022
Public report:	Yes
Lead Member:	Mayor Dr Nik Johnson
From:	Steve Clarke, Senior Responsible Officer for Local Growth Funds, Market Insight & Evaluation
Key decision:	Yes
Forward Plan ref:	KD2022/010
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Approve the final draft Cambridgeshire and Peterborough Local Investment Plan.b) Delegate authority to the Chief Executive Officer in consultation with the Chief Finance Officer and Monitoring Officer to make minor final refinements to the Local Investment Plan and to submit that final version to the Department for Levelling Up, Housing and Communities before the 1st August 2022 deadline.c) Delegate authority to Chief Executive Officer in consultation with the Chief Finance Officer and Monitoring Officer to make amendments to the Local Investment plan based on any feedback from the Department for Levelling Up, Housing and Communities and after consultation with the Cambridgeshire Public Service Board.
Voting arrangements:	<p>A simple majority of all Members present and voting</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 This paper presents the final draft of the UK Shared Prosperity Fund (SPF) Local Investment Plan for Cambridgeshire and Peterborough to the Combined Authority for approval.
- 1.2 It also outlines the collective process by which the UK Shared Prosperity Fund (SPF) Local Investment Plan for Cambridgeshire and Peterborough was developed to secure the indicative allocation being offered by Government.
- 1.3 The list of final projects to be included within the Local Investment Plan (LIP) is provided with this report.
- 1.4 The paper seeks delegated authority from the Combined Authority Board for Officers to complete minor drafting refinements to the Investment Plan and to submit the plan with supporting documents to Department for Levelling Up, Housing and Communities (DLUHC)
- 1.5 The report also outlines the next steps after the Local Investment Plan is submitted and approved to develop arrangements to manage delivery of the funding to projects.

2. Background

- 2.1 The Shared Prosperity Fund (SPF) succeeds EU structural funds. The government's intention is to support the Levelling Up policy agenda through the mechanism of a fund which they wish to see being less bureaucratic than EU funding. In totality it provides £2.6 billion nationally over the period to March 2025. All areas of the UK will receive an allocation from the fund via a funding formula which it is promised will recognise pockets of deprivation in better-off areas, as well as wider need.
- 2.2 It should be noted that the SPF is not a like for like replacement for European Structural Investment Funds which were managed over larger geographies with different priority areas of focus, had larger amounts of capital available plus other requirements such as mandatory match funding.
- 2.2 On 13 April 2022 the Government launched the UKSPF prospectus, full guidance and announced details of the indicative allocations for all areas of the UK. All lower tier Local Authorities have been offered an indicative allocation apart from Combined Authority (CA) areas where a combined allocation across the constituent authorities is offered. For Cambridgeshire and Peterborough Combined Authority (CPCA) the indicative allocation is shown below which includes Core SPF focussing on three pillars of Communities and Place, Local Business, and People and Skills. The Multiply element is focussed entirely on Adult Numeracy:

Combined authority	UKSPF core	Multiply	Total
Cambridgeshire and Peterborough	£9,872,624	£3,999,186	£13,871,811

- 2.3 SPF Funding will taper in from late 2022-23. Nationally, the peak allocation will be in year 3,

reaching £1.5bn by 2024-25 when it will match to previous levels of EU funds on annual basis. This reflects the fact that one of the scheme's three priority areas for funding, people and skills is not due to commence until year three of the funding programme.

- 2.4 The prospectus, indicative allocations and guidance can be found at:
<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>
- 2.5 The funding is a mixture of revenue and capital with the capital component increasing over the first 3 years as a minimum element in the allocations in England, this minimum level of Capital spend in each year is 10% in year one, 13% in year 2 and 20% in year 3 of the indicative allocation.
- 2.6 To secure the indicative allocation each area has developed a Local Investment Plan (LIP) and this plan must be agreed by Government to release the funding allocation. The Plans need to be based on agreed local strategies, evidenced with clear impacts and outcomes and the CPCA will be accountable for providing assurance over the use of the funds and for reporting progress on impacts achieved through funding. The government's target outcomes for the Fund are set out in the Prospectus and launch Guidance.
- 2.7 The government is placing an emphasis on projects that have early visible impact in the first two years, and the first two pillars listed above are only being funded in the first two years, the People and Skills pillar not starting until year 3.
- 2.8 The Local Investment Plan for the core SPF must be submitted online during the window of 30th June until 1st August 2022 along with required supporting documentation, and the first year's payment to the CPCA is expected in October 2022 once the LIP has been approved by DLUHC.
- 2.9 The Cambridgeshire and Peterborough Investment Plan for the Multiply SPF element was submitted by the 30th June 2022 deadline and was reported previously to Combined Authority Board in June.

Development of the Core UKSPF Local Investment Plan (LIP)

- 2.10 The LIP development has been led by the CPCA in its capacity as the Lead Authority as designated by DLUHC, but to ensure that there was a collaborative and collective focus the Cambridgeshire Public Service Board (CPSB) was engaged as an existing group that represents all the key local stakeholders required to develop and agree the LIP for the SPF, being a non-political, operationally focused partnership board.
- 2.11 The CPSB have fulfilled the consultative support function, acting in the capacity of the SPF Partnership Board role, covering the adoption or creation of a partnership board to support development and oversight of local SPF as advised in the published guidance for Lead Authorities.
- 2.12 In common with other MCAs and, in the spirit of the CPCA agreed purpose statement around the importance of collective leadership acting for the whole CPCA geography, the Local Authorities and Public Sector partners via the CPSB have been working together on the priorities within the Local Investment Plan (LIP) that will deliver the greatest social and economic returns for our area.

- 2.13 The process for collating projects from the CPSB organisations was developed and this was completed via a series of excel documents designed to capture the key project information for proposed interventions and the challenges/opportunities those projects are addressing in each of the 3 pillars within UKSPF.
- 2.14 In parallel it was agreed at the CPSB meeting on 27th April that the CPCA would develop and propose into the Investment Plan Cambridgeshire and Peterborough areawide People and Skills projects that were strategically focussed to deliver against some of the key recommendations in the Cambridgeshire and Peterborough Employment and Skills Strategy but directed to deliver on a needs-based approach where there is the greatest inequality across the CPCA.
- 2.15 CPCA Officers have co-ordinated the collation of all project data returned from this process and conducted analysis and challenge across all the proposed projects. Analysis has also been undertaken by the Cambridgeshire Clinical Commissioning Group on Health priorities, also the Police and Crime Commissioners office on Community Safety priorities plus the CPCA Evaluation Team on the six capitals from the Sustainable Growth Statement.
- 2.16 The CPSB discussed the initial and then the final list of projects including those put forward by the CPCA at its meetings on 25 May and 15 June to affirm and agree the final list within each pillar, and to also consider how the strategic area wide projects fit across all Districts from the funding share.
- 2.17 The final full list of projects and Interventions confirmed into the Local Investment Plan are included with this paper at Appendix 1, The range of interventions cover a wide range of themes and currently break down into the following number of proposed projects within each pillar:

25 projects in Communities and Place
16 projects in Local Business
4 projects in People and Skills

The analysis of all the projects against Health priorities, Community Safety priorities and Six Capitals can also be seen in Appendix 1.

- 2.18 The three all area People and Skills projects starting in year 3 (2024-25) will be coordinated by the CPCA Skills team working with all Local Authority Skills Leads over the next 18 months. Needs based analysis will be utilised to inform the design of projects, the delivery mechanism and deployment on the ground, the targeting of outputs which factors the potential added costs of achieving same output/outcome in different parts of the geography, to ensure the projects deliver the impact where there is highest need and inequality within the Combined Authority's whole geography.

3. Approval of the Plan and Submission – Next steps

- 3.1 The final list of projects in each pillar has been agreed in discussion with the CPSB and the drafting of narrative required in the Local Investment Plan has been completed by CPCA Officers being supported by Metro Dynamics in this task.

- 3.2 The detail on the projects proposed was also a collective input into the Local Investment Plan by all the Local Authority Chief Executives and their Economic Development Managers or Officers.
- 3.3 The CPSB has been consulted throughout in its role as the Partnership Board for the oversight of the SPF. The CPSB has approved and supports the final drafted Local Investment Plan.
- 3.4 All MP's and their constituency teams were briefed on the SPF Local Investment Plan on 1 July and their feedback taken on board.
- 3.5 The draft LIP has been shared and noted at both Skills Committee and Business Board during early July and included feedback from those Members in the attached at Appendix 2 which is the final draft of the Investment Plan.
- 3.7 The Combined Authority Board is asked to approve the final draft of UK Shared Prosperity Fund (SPF) Local Investment Plan for Cambridgeshire and Peterborough as attached to this report at Appendix 2.
- 3.6 The window for submitting completed Local Investment Plans online to Department for Levelling Up, Housing and Communities (DLUHC) opens on 30 June and closes on 1 August 2022.
- 3.7 CPCA Officers plan to submit the approved plan directly after this Combined Authority Board and the Combined Authority Board is asked to delegate authority to Officers to make any final editing refinements to the plan including any feedback from the Members at the Board Meeting on 27 July 2022.
- 3.8 Approval decision by DLUHC for the Local Investment Plans is expected to be given during September or October with payment of first years allocated budget paid to the Combined Authority in October.
- 3.9 The CPCA will work with the Local Authorities and proposed project delivery organisations before October to look at most efficient delivery arrangements and as the Lead Authority CPCA will determine and issue project contract or funding agreement documentation to enable delivery to begin when funding has been released, this will include the development and approval of appropriate project or business plans, expenditure profiles, risk registers and subsidy control advice. Legal documentation will be required to release funding, this will be provided by the CPCA as part of its support and delivery of the funding for UKSPF.

Significant Implications

3. Financial Implications

- 3.1 DLUHC has already paid the Combined Authority a £40k one off payment which is for Lead Authorities to support the development of their Local Investment Plans, this funding is currently being utilised to pay for writing support from Metro Dynamics on creating the Investment Plan and supporting documents ready for submission.

- 3.2 The allocations of UK Shared Prosperity Funding are all indicative and will not be fully secured and paid until all elements of the Local Investment Plan are fully approved by DLUHC.
- 3.3 The indicative allocation also includes 4% management fee which Lead Authorities can use in managing the programme including funding agreements, contracts, reporting to DLUHC and monitoring across the 3 years, for the CPCA this would equate to £394,905.

4. Legal Implications

- 4.1 Once the Local Investment Plan all formally agreed by DLUHC the allocation of funds will be legally covered by a grant agreement between DLUHC and the CPCA.
- 4.2 The CPCA will utilise its grant funding agreements or standard contracts to sign with the delivery partners before any claims are paid against the programme.

5. Public Health implications

- 5.1 The draft Local Investment Plan has 3 projects that directly focus only to support health outcomes and 27 projects which have been assessed as contributing to one or more of the Integrated Care Partnership priorities across Cambridgeshire and Peterborough.

6. Environmental and Climate Change Implications

- 6.1 The draft Local Investment Plan has 8 projects being proposed within the plan that have been assessed as contributing towards natural capital priority across Cambridgeshire and Peterborough.

7. Other Significant Implications

- 7.1 The draft Local Investment Plan has proposed projects which contribute towards reducing in-equalities cross Cambridgeshire and Peterborough with 16 projects specifically focussed on social capital outcomes.

8. Appendices

- 8.1 Appendix 1 – Final list of projects in C&P SPF Local Investment Plan
- 8.2 Appendix 2 – Final draft C&P SPF Local Investment Plan

9. Background Papers

- 9.1 [Business Board report 9 May 2022 - Item 2.1](#)
- 9.2 [Skills Committee report 4 July 2022 - Item 2.1](#)
- 9.3 [Business Board report 11 July 2022 - Item 2.3](#)