



Agenda Item No: 2.1

UK Shared Prosperity Fund Investment Plan Update

To: Skills Committee

Meeting Date: 4 July 2022

Public report: Yes

Lead Member: Councillor Lucy Nethsingha – Chair of the Skills Committee

From: Steve Clarke, SRO LGF, Market Insight & Evaluation

Key decision: No

Forward Plan ref: N/A

Recommendations: The Skills Committee is recommended to:

Note the progress to date and next steps for the Cambridgeshire and Peterborough Local Investment Plan for the Shared Prosperity Fund.

Voting arrangements: A simple majority of all Members present and voting.

1. Purpose

- 1.1 This paper provides an update on the progress to collectively develop the UK Shared Prosperity Fund (SPF) Local Investment Plan for Cambridgeshire and Peterborough to secure the indicative allocation being offered by Government.
- 1.2 The list of proposed projects to be included within the Local Investment Plan is provided in headline form with this report.
- 1.3 The paper also outlines the process and governance mechanism to approve the Local Investment Plan and to manage delivery of the funding to projects.

2. Background

- 2.1 The Shared Prosperity Fund 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 On the 13th 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 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. 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.
- 2.4 The prospectus, indicative allocations and guidance can be found here: <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 is required to develop a Local Investment Plan and this plan must be agreed by Government in order 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 for 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.

Development of the Core UKSPF Local Investment Plan (LIP)

- 2.10 The LIP development is being led by the Combined Authority in its capacity as the Lead Authority designated by DLUHC, but to ensure that there is a collaborative and collective focus the Cambridgeshire Public Service Board (CPSB) was identified as an existing group that represents all of the key local stakeholders required to develop and agree the LIP for UKSPF, plus it's a non-political, operationally focused partnership board.
- 2.11 The CPSB were approached with a request to fulfil the consultative support function, acting in the capacity of the SPF Partnership Board role, the adoption or creation of partnership boards to support development and oversight of local SPF is 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 wide 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.
- 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.
- 2.16 At the time of writing this paper the only outstanding capture of full detail on projects was those being proposed by Huntingdonshire District Council, only headline concepts shared with completed proforma spreadsheets expected around 17 June.

- 2.17 The CPSB has discussed the initial list and then the final list of projects including those put forward by the CPCA at its meetings on the 25th May and 15th 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 funding share.
- 2.18 The full list of Projects and Interventions proposed which are currently being developed into the Local Investment Plan are included with this paper at Appendix 1, The range of interventions being proposed 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

Analysis of the projects against Health priorities, Community Safety priorities and Six Capitals can also be seen in the Appendix.

3. Finalising 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 to complete the Local Investment Plan is well underway with CPCA Officers being supported by Metro Dynamics to complete this task.
- 3.2 The refinement of detail on the projects proposed and the collective input into the Local Investment Plan is continuing with 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 and this includes the various drafts of the Local Investment Plan.
- 3.4 All MPs and their constituency teams have been invited to a briefing on the SPF Local Investment Plan being held on the 1 July, this will also be seeking their backing for the plan.
- 3.2 The early draft LIP is being shared with Skills Committee and Business Board during early July and attached is the current working draft at Appendix 2, then presented to Leaders on 6th July at the Leaders Strategy Meeting and after further final work going forwards as a final draft for approval at the Combined Authority Board on the 27 July.
- 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. CPCA Officers plan to submit the approved plan directly after the Combined Authority Board on the 27 July.
- 3.8 Decision on approval of 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.
- 3.7 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 x number of projects that have been assessed as contributing to one or more of the ICS priorities across Cambridgeshire and Peterborough.

6. Environmental and Climate Change Implications

- 6.1 The draft Local Investment Plan has x number of projects 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 mainly projects which contribute towards reducing inequalities cross Cambridgeshire and Peterborough.

8. Appendices

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

9. Background Papers

- 9.1 None